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F I S C A L   I M P A C T   R E P O R T

SPONSOR: Hurt DATE TYPED: 1/31/03 HB

SHORT TITLE: Repeal Newspaper Gross Receipts Deduction SB 100

ANALYST: Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	**FY04**			
	920.0	1,000.0	Recurring	General Fund
	550.0	600.0	Recurring	Local Government

(Parenthesis ( ) Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 100 repeals the Gross Receipts deduction for publishing and newspaper sales (7-9-63 to 7-9-64 NMSA 1978).

FISCAL IMPLICATIONS

TRD does not note its assumptions for determining the fiscal impact.

ADMINISTRATIVE IMPACT

TRD notes. Enforcing the gross receipts tax on final sales of newspapers would be difficult. Newspapers are distributed through several channels, including: independent carriers, street vendors, single-copy racks, newsstands, and other retail outlets. Thus, eliminating the deduction could put tax collection and reporting into the hands of many small, independent distributors.

However, newspaper publishers could enter into an "Agreement to Collect and Pay Over Tax" with the department, to actually collect and pay tax for their sellers. This would ease the administration and compliance burden significantly.

SN/yr