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FISCAL IMPACT REPORT

SPONSOR: Fidel DATE TYPED: 03/06/03 HB

SHORT TITLE: Tax Receipts for County Hospitals SB 713

ANALYST: Smith

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	NFI			General Fund
	(*)	(*)	Recurring	Cibola County
	*	*	Recurring	City of Grants

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 713 redirects proceeds from certain local option taxes from Cibola County to the city of Grants. Specifically, the bill redirects proceeds from the following taxes:

- second one-eighth percent (.125%) of county local option gross receipts tax,
- .125% special county hospital gross receipts tax,
- .5% local hospital gross receipts tax, and
- the special county hospital gasoline tax, which may be imposed on gasoline sold at retail in the county at a rate of \$.01 or \$.02.per gallon.

Revenue from these taxes are to be used by the city to operate and maintain a hospital.

FISCAL IMPLICATIONS

TRD notes that, of the relevant local option taxes, only the .5% local hospital gross receipts tax is currently imposed by Cibola County.

TECHNICAL ISSUES

TRD states that rather than further complicating state tax statutes and administration, it seems the proposed distribution scheme could be handled via a separate “funds distribution” agreement between the county and the municipality.

OTHER SUBSTANTIVE ISSUES

TRD has provided the following table.

Potential Revenue to City of Grants—FY 2002 Illustration				
County Local Option (.125%)	Special County Hospital (.125%)	Local Hospital (.5%)	Special County Hospital Gasoline (\$.02)	Total
\$277,000	\$277,000	\$1,110,000	\$280,000*	\$1,944,000

SS/prr