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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/06

SPONSOR Irwin LAST UPDATED _____ HB 448

SHORT TITLE Underground Irrigation Tool Gross Receipts SB _____

ANALYST Schardin

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	(331.0)		Recurring	General Fund
	(221.0)		Recurring	Local Governments

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB316 and Senate Bill 46.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 448 amends Section 7-9-62 NMSA 1978 to expand the definition of agricultural implements that receive a 50 percent deduction from gross receipts tax to include above and below-ground produce irrigation systems that are used at a place where produce is grown.

The effective date of House Bill 448 is July 1, 2006.

FISCAL IMPLICATIONS

According to TRD, the USDA Census of Agriculture's publication "2003 Farm and Ranch Irrigation Survey," New Mexico farms spent nearly \$17 million on irrigation equipment and machinery in 2003.

ADMINISTRATIVE IMPLICATIONS

This bill will have a minimal impact on TRD. CRS-1 instructions and publications will be revised and audit and compliances procedures will be developed.

DUPLICATION

House Bill 448 duplicates House Bill 316 and Senate Bill 46.

SS/yr:mt