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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED 2-4-2006 **HB** 828

SPONSOR Arnold-Jones

SHORT TITLE Statute of Limitations Technical Changes **SB** _____

ANALYST Dearing

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI*		
	*Please See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Attorney General's Office (AGO)

SUMMARY

Synopsis of Bill

House Bill 828 would clarify the current provision of law that suspends the statute of limitations during which the State must make assessments or bring actions or proceedings to collect taxes or to prosecute criminal cases. The bill clarifies that the suspension period also begins when a subpoena or summons is issued by the Secretary of Taxation and Revenue Department.

House Bill 828 makes one technical change to Section 7-1-4 NMSA 1978 such that it extends, to *include the secretary*, in addition to the court, as the *source of subpoena or summons issuance* when a tax liability is being established, relating to the suspension period while awaiting appeals.

The effective date of the provisions of this act is not currently stated within this bill.

FISCAL IMPLICATIONS

No fiscal impact incurred with the passage of this legislation.

*The Administrative Office of the Courts (AOC) does not believe that the bill has a fiscal or any administrative impact on the courts.

SIGNIFICANT ISSUES

In light of the Secretary's existing authority (provided in subsection B) to issue subpoenas and summonses, the amendment proposed in this bill will clarify and thus ensure that the suspension of the time during which assessments may be made and both civil and criminal actions and proceedings relating to tax liability may be brought applies to subpoenas and summons issued under that authority.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Applicable Sections of the New Mexico Statutes Annotated code will remain intact, as currently written.

POSSIBLE QUESTIONS

Should this bill contain an effective provision date?

PD/nt