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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/06

SPONSOR Asbill LAST UPDATED _____ HB _____

HIGH SCHOOL SPORTS SERVICE GROSS

SHORT TITLE RECEIPTS SB 135

ANALYST Schardin

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	(237.0)	(237.0)	Recurring	General Fund
	(158.0)	(158.0)	Recurring	Local Govern- ments

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 135 creates a gross receipts tax deduction for receipts from serving as a referee, umpire, linesman, timer, scorer or any similar capacity during a public high school sports event.

The effective date of this bill is July 1, 2006.

FISCAL IMPLICATIONS

TRD estimates that Senate Bill 135 will reduce gross receipts tax revenue by about \$395 thousand in FY07. About \$237 thousand of this revenue decrease will accrue to the general fund, and about \$158 thousand will accrue to local governments in which high school sporting events occur. This estimate is based on events in which public high schools play other public high schools. The estimate does not include mileage and per diem payments.

SIGNIFICANT ISSUES

Fees earned by sports officials on varsity, junior varsity, and junior high sporting events are set annually by the New Mexico Activities Association and vary different events. Sports officials are also paid mileage of \$0.405 per mile and per diem of \$75 per day if the sports official spends the night away from home.

ADMINISTRATIVE IMPLICATIONS

TRD reports that Senate Bill 135 will have a minimal administrative impact. TRD will revise CRS forms, instructions and publications. TRD may also need to coordinate with PED to identify eligible sporting events.

TECHNICAL ISSUES

PED notes that “public high school sports events” is not defined in Senate Bill 135.

TRD notes that it is unclear what will happen when a public high school plays a game against a private high school or when a public junior high sporting event is played at a high school.

SS/nt