

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR	<u>Lovejoy</u>	ORIGINAL DATE	<u>1/22/08</u>	HB	<u></u>
		LAST UPDATED	<u></u>		
SHORT TITLE	<u>Investigate Certain Utility Tax Collection</u>	SJM	<u>4</u>		
		ANALYST	<u>Cox</u>		

SOURCES OF INFORMATION

LFC Files

Responses Received

Attorney 'General's Office (AGO)
Public Regulation Commission (PRC)
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 4 addresses the investigation of tax collection on public services. These public services include, but may not be limited to, all utilities and telecommunications services offered on Native American sovereign lands. The Joint Resolution stated that non-tribal utilities and telecommunications companies are not permitted to collect State and county taxes for services provided to Native Americans residing on tribal lands, but continue to do so, in certain cases. This Joint Memorial requests that the Attorney General's office, The Public Regulation Commission, and the Taxation & Revenue Department conduct investigations into these tax collections. These three agencies are then required to report their findings to the interim Indian Affairs Committee by September 30, 2008. This Joint Memorial has applicability to the Navajo Nation, the Jicarilla and Mescalero Nations, as well as the nineteen (19) Indian pueblos.

FISCAL IMPLICATIONS

As this is a Memorial, it requests no funding or appropriations. Added Agency manpower may be required at the above three Agencies (AG, PRC and TRD). This may require clerical manpower and/or employees whose skill set are above clerical. The employee(s) will be called upon to prepare careful reports. The timeframe for this added manpower is from July 1, 2008 to September 30, 2008. PRC projects a fiscal impact of \$25,000 to address this issue.

Attorney General's Office states that this Joint Memorial could impact their budget, as no additional funds are requested.

SIGNIFICANT IMPLICATIONS

Depending upon the complexity of the data and the availability of data, this timeframe may be

Senate Joint Memorial 4 – Page 2

too short. Before recommending the salary and benefits on the new added manpower, the three abovementioned agencies should be contacted, as to availability and cost of man-power.

Public Regulation Commission reports that the Agency needs an additional \$25,000 for this Senate Joint Memorial. This would be for contracting with an external provider for a study.

Attorney General's Office reports that the timeframe is too short, and probably inadequate. AGO also states that Native Americans are statutorily exempt for paying utility taxes on Tribal lands. AGO further states that the utility providers suggest that a solution is for these individuals to 'opt out' of tax charges. This would be on a 'case by case' basis.

ADMINISTRATIVE IMPLICATIONS

There is vagueness as to whether the three above-mentioned Agencies have the manpower to achieve the purpose of this Joint Memorial.

TECHNICAL ISSUES

The format of the report(s) and the data to be collected have not been identified.

POSSIBLE QUESTIONS

What types of data need to be gathered? To what purpose will the data be used?

PRC/bb