

1 SENATE BILL 15

2 **48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SPECIAL SESSION, 2008**

3 INTRODUCED BY

4 John C. Ryan

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10 AN ACT

11 RELATING TO THE STATE FISC; AMENDING PROVISIONS REGARDING
12 DISPOSITION OF EXCESS GENERAL FUND REVENUES; ESTABLISHING AN
13 OBLIGATION TO PAY A TAXPAYER DIVIDEND WHEN CERTAIN CONDITIONS
14 ARE MET; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

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16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 Section 1. Section 6-4-4 NMSA 1978 (being Laws 1987,
18 Chapter 347, Section 4, as amended) is amended to read:

19 "6-4-4. RESERVATION OF EXCESS GENERAL FUND REVENUES--
20 APPROPRIATION TO TAXPAYERS DIVIDEND FUND.--

21 A. For ~~[the seventy-seventh]~~ fiscal year 2009 and
22 subsequent fiscal years, if the revenues of the general fund
23 exceed the total of appropriations from the general fund, ~~[the~~
24 ~~excess revenue]~~ then an amount equal to the smaller of the
25 amount of the excess revenue or two percent of the aggregate

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1 recurring appropriations from the general fund for the previous
2 fiscal year is appropriated to the taxpayers dividend fund.

3 B. Excess general fund revenue above the amount
4 appropriated to the taxpayers dividend fund pursuant to
5 Subsection A of this section shall be transferred to the
6 operating reserve; provided that if the sum of the excess
7 revenue transferred to the operating reserve plus the balance
8 in the operating reserve prior to the transfer is greater than
9 eight percent of the aggregate recurring appropriations from
10 the general fund for the previous fiscal year, then an amount
11 equal to the smaller of either the amount of the excess revenue
12 transferred to the operating reserve or the difference between
13 the sum and eight percent of the aggregate recurring
14 appropriations from the general fund for the previous fiscal
15 year shall be transferred to the tax stabilization reserve
16 ~~[provided further that if the total of the amount transferred~~
17 ~~to the tax stabilization reserve pursuant to the provisions of~~
18 ~~this section plus the balance in that reserve prior to the~~
19 ~~transfer is greater than six percent of the aggregate recurring~~
20 ~~appropriations from the general fund for the previous fiscal~~
21 ~~year, then an amount equal to the smaller of either the amount~~
22 ~~transferred or the difference between the total and six percent~~
23 ~~of the aggregate recurring appropriation from the general fund~~
24 ~~for the previous fiscal year is appropriated to the taxpayers~~
25 ~~dividend fund]."~~

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1 Section 2. Section 6-4-5 NMSA 1978 (being Laws 1987,
2 Chapter 347, Section 5) is amended to read:

3 "6-4-5. TAXPAYERS DIVIDEND FUND--CREATED--PURPOSE.--

4 A. There is created [~~hereby~~] in the state treasury
5 the "taxpayers dividend fund". The fund shall be administered
6 by the taxation and revenue department. Money in the fund
7 shall be expended only for the purpose of a distribution to
8 taxpayers pursuant to the provisions of this section.

9 B. The balance of the taxpayers dividend fund shall
10 be those funds directed to it by law and such other funds as
11 the legislature may appropriate from time to time to the fund.

12 C. If the balance in the taxpayers dividend fund
13 [~~at the end of the seventy-sixth or any subsequent fiscal year~~
14 ~~exceeds one percent of the tax liabilities reported to the~~
15 ~~taxation and revenue department pursuant to the Income Tax Act~~
16 ~~during that fiscal year, then the governor shall propose to the~~
17 ~~next session of the legislature a method for refunding the~~
18 ~~balance to the taxpayers.~~

19 D. ~~Balances in the taxpayers dividend fund may be~~
20 ~~appropriated only for the purpose of refunding those balances~~
21 ~~to the taxpayers] exceeds one hundred million dollars~~
22 (\$100,000,000), then the taxation and revenue department shall
23 within ninety days make a distribution to taxpayers of the
24 balance in the taxpayers dividend fund, pursuant to the
25 provisions of the Tax Administration Act. The distribution

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1 shall be known as the "taxpayer dividend"."

2 Section 3. A new section of the Tax Administration Act is
3 enacted to read:

4 "[NEW MATERIAL] TAXPAYER DIVIDEND--DISTRIBUTION.--

5 A. When the balance in the taxpayers dividend fund
6 is sufficient to require a distribution to taxpayers pursuant
7 to Subsection C of Section 6-4-5 NMSA 1978, the taxation and
8 revenue department shall distribute the balance in the fund to
9 eligible taxpayers pursuant to the provisions of this section.
10 The distribution shall be known as the "taxpayer dividend".

11 B. Each resident of New Mexico who filed a New
12 Mexico personal income tax return for the prior taxable year,
13 was a resident of New Mexico on the last day of the prior
14 taxable year, was not an inmate of a public institution for
15 more than six months during the prior taxable year and who is
16 not a dependent of another taxpayer is eligible to receive one
17 or more taxpayer dividends and shall be known for the purposes
18 of this section as an "eligible taxpayer". A resident may be
19 an eligible taxpayer even if the resident had no income taxable
20 pursuant to the Income Tax Act in the prior taxable year.

21 C. The department shall calculate the amount of the
22 taxpayer dividend by dividing the balance in the taxpayer
23 dividend fund available for distribution by the total number of
24 federal exemptions allowable for federal income tax purposes
25 reported on New Mexico personal income tax returns filed by

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1 eligible taxpayers for the prior taxable year.

2 D. The number of taxpayer dividends payable to an
3 eligible taxpayer shall be the same as the number of federal
4 exemptions allowable for federal income tax purposes reported
5 on the New Mexico personal income tax return filed by the
6 eligible taxpayer for the prior taxable year.

7 E. The secretary of taxation and revenue may adopt
8 regulations necessary to administer the provisions of this
9 section."

10 Section 4. EMERGENCY.--It is necessary for the public
11 peace, health and safety that this act take effect immediately.