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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/19

SPONSOR Ingle LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Milk Testing Or Transporting Gross Receipts SB 16

ANALYST Clark

### REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21	FY22	FY23		
NFI	Minimal To No Impact				Recurring	General Fund

Parenthesis ( ) indicate revenue decreases

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

New Mexico Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 16 appears to clarify that the existing gross receipts tax (GRT) deduction for testing and transporting milk can be taken against either activity individually; a taxpayer does not need to perform both activities to take the deduction.

The effective date of this bill is July 1, 2019.

### FISCAL IMPLICATIONS

The Taxation and Revenue Department reports this bill provides language clean-up to statute. The bill would likely have a minimal fiscal impact.

If the bill's actions are entirely clarification, which they appear to be, the bill should have no fiscal impact.

**SIGNIFICANT ISSUES**

There appear to be no significant issues, just tax code clean-up.

**Does the bill meet the Legislative Finance Committee tax policy principles?**

1. **Adequacy:** Revenue should be adequate to fund needed government services.
2. **Efficiency:** Tax base should be as broad as possible and avoid excess reliance on one tax.
3. **Equity:** Different taxpayers should be treated fairly.
4. **Simplicity:** Collection should be simple and easily understood.
5. **Accountability:** Preferences should be easy to monitor and evaluate

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