

LFC Requester:	
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original X **Amendment** _____
Correction _____ **Substitute** _____

Date Prepared: 19 January 2024

Bill No: HB 166

Sponsor: Micaela Lara Cadena and
Doreen Y. Gallegos

Short Title: Gross Receipts Tax
Deductions for Sale of
Child Care Assistance

Agency Name and Code Number: 305 – New Mexico
Department of Justice

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

House Bill (“HB”) 166 would establish a gross receipts tax deductions for the sale of childcare assistance services through licensed childcare assistance programs and pre-kindergarten services by for-profit pre-kindergarten providers.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES: None identified.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP: None identified.

TECHNICAL ISSUES:

1. “Child care” should be spelled “childcare,” unless “child care” is intended to have distinct meaning.
2. Children’s Code Sections 32A-23-3 and 4, do not use or define the term “pre-kindergarten services” but use the term “pre-kindergarten program services” without definition. HB 166 should use the term “pre-kindergarten program services” and define it in section E, unless each term has distinct meaning in which case it would be helpful if they were each defined.

3. HB 166 paragraph A: The term “child care assistance services” is not defined.

Suggest defining “child care assistance services” within HB 166 paragraph E.

4. Suggested change for clarity: HB 166 paragraph A.

“A. Receipts from the sale of child care assistance services by a taxpayer pursuant to a contract or grant with the early childhood education and care department to provide such services through a licensed child care assistance program may be deducted from gross receipts.”

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL: Status quo.

AMENDMENTS