

LFC Requester:	Laird Graeser
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AGENCY BILL ANALYSIS  
2024 REGULAR SESSION

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

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

<i>Check all that apply:</i>		<b>Date</b>
<b>Original</b>	<input checked="" type="checkbox"/>	<b>Prepared:</b> 1FEB2024
<b>Amendment</b>	<input type="checkbox"/>	<b>Bill No:</b> HB 266
<b>Correction</b>	<input type="checkbox"/>	
	<b>Substitute</b>	<input type="checkbox"/>
<b>Sponsor:</b> <u>John Block, Stefani Lord</u>		<b>Agency Name and Code</b>
		<b>Number:</b> <u>790- Department of Public Safety</u>
		<b>Person Writing</b>
		<b>Analysis:</b> <u>Elisabeth Johnson</u>
<b>Short Title:</b>	<u>Gun Storage Tax Credit</u>	<b>Phone:</b> <u>505-531-7091</u>
		<b>Email:</b> <u>Elisabeth.Johnson@dp s.nm.gov</u>

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
0.0	0.0		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
0.0	0.0	0.0		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	0.0	107.0	97.5	204.5	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: HB 81  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

For taxable years 2024 through 2026, a taxpayer who purchases a secure gun storage, on or after July 1, 2024, may claim a one-time refundable income tax credit equal to the price paid for the secure gun storage, not to exceed \$1000 from the New Mexico Taxation and Revenue Department (TR). Maximum aggregate credits for any taxable year capped at \$500,000. The Department of Public Safety will process taxpayer applications in a manner prescribed by the Department. The Department of Public Safety will also determine eligibility for the credit to be returned to the requestor for submission on his/her annual Personal Income Tax return.

**FISCAL IMPLICATIONS**

DPS believes this credit should be administered by the Taxation and Revenue Department as they are the experienced and expert agency to determine and administer protocol for this legislation.

Proposed legislation does not appropriate any funding for this bill, which would result in an unfunded mandate for DPS if charged with the administrative responsibility for this legislation. If funding were appropriated to DPS rather than the Taxation and Revenue Department as suggested, there will be a need to employ at least one full-time employee (Program Coordinator I) assigned to the Law Enforcement Records Bureau, working closely with the New Mexico State Police, to manage the application process, administer tax certifications, and promulgate technical specifications and requirements to implement the process. This position will also review and approve/deny applications and issue certifications of eligibility to all applicants at an initial FY 2025 cost of \$107,000 and an annual recurring cost of \$97,500. DPS will require an appropriation to carry out this legislation.

**SIGNIFICANT ISSUES**

The most significant issue with this proposed legislation is that DPS does not have the infrastructure nor the expertise to administer tax credits. Tax credits and associated functions relative to tax certifications and administration are responsibilities that belong with the Taxation and Revenue Department to efficiently and expertly establish protocol and processes to carry out the requirements of this bill.

**PERFORMANCE IMPLICATIONS**

None.

**ADMINISTRATIVE IMPLICATIONS**

Indicated above in Fiscal Implications.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None

**TECHNICAL ISSUES**

None

**OTHER SUBSTANTIVE ISSUES**

None

**ALTERNATIVES**

None

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo will remain.

**AMENDMENTS**

None