

LFC Requester: \_\_\_\_\_

**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}*

Check all that apply:

Original  Amendment   
Correction  Substitute

Date 2.9.2024

Bill No: S 148

Sponsor: D. Ivey-Soto  
Short Title: TAX & FEE ADMIN FEES

Agency Name and Code Number: Department of Finance and Administration -341

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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	FY27	FY28		
			(\$22,000)	(\$45,500)	R	GF
			\$22,000	\$45,500	R	Locals
		\$669	\$690	\$711	R	GF
		(\$669)	(\$690)	(\$711)	R	TIDD
		\$600	\$618	\$637	R	GF

		<b>(\$600)</b>	<b>(\$618)</b>	<b>(\$637)</b>	R	LEDA Fund
		<b>\$1,269</b>	<b>(\$20,692)</b>	<b>(\$44,152)</b>	R	Total GF
		<b>(\$1,269)</b>	<b>\$20,692</b>	<b>\$44,152</b>	R	Locals

(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>						

(Parenthesis ( ) Indicate Expenditure Decreases)

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

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

The SFC substitute for the SB148 bill phases out the established fees withheld by TRD for local options gross receipts and compensating taxes. The phaseout of the administrative fees begins in FY27. The 3 percent administrative fee withheld by TRD remains until FY26. The fee is reduced to 2 percent in FY27, 1 percent in FY28, and eliminated in FY29.

The substitute bill also allows for TRD to withhold administrative fees of 3 percent for the distributions related to the Local Economic Development Act Fund (LEDA) and Tax Increment for Development Districts (TIDDs).

**FISCAL IMPLICATIONS**

DFA used the TRD-reported fees and applied the gross receipts and compensating tax rates from the December 2023 consensus estimates to estimate fiscal impacts for this bill.

TRD reported in FY23 applicable administrative fees of \$59.9 million which the SFC substitute bill for the SB148 phases out by FY29. During FY27 and FY28 the estimated negative general fund impacts are \$22 million and \$45.5 million. These are partially offset by the bill’s addition of language that allows TRD to withhold administrative fees of 3 percent for the distribution of the LEDA and TIDDs. The additional revenue to the general is estimated between \$600 thousand and \$711 thousand. All estimated fiscal impacts are reported in the revenue table above.

**SIGNIFICANT ISSUES**

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

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

**AMENDMENTS**