

LFC Requester:	Ismael Torres
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**AGENCY BILL ANALYSIS
2023 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 **Amendment** _____
Correction _____ **Substitute** _____

Date 1/25/2023
Bill No: HB 137

Sponsor: Rep. M. Lara Cadena
Short Title: GRT Deductions for Child Care Assistance

Agency Name and Code 305–Office of the Attorney General
Number: _____
Person Writing Serena R. Wheaton, AAG
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	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 Attorney General Opinion nor an Attorney General Advisory Letter. 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 Office of the Attorney General.

BILL SUMMARY

Synopsis: House Bill 137 seeks to create a new section to the Gross Receipts and Compensating Tax Act, NMSA 1978, Section 7-9-1, et. seq. HB 137 would create a new deduction from gross receipt tax for the sale of child care assistance through either a licensed child care assistance program or a for-profit pre-kindergarten provider. There are no current deductions or exemptions for this.

For licensed childcare assistance services, the provider's receipts must be pursuant to a contract or grant with the early childhood education and care department and through a licensed childcare assistance program.

For a for-profit pre-kindergarten provider the services must be pursuant to the Pre-Kindergarten Act.

Finally, this creates a requirement upon the New Mexico Taxation and Revenue Department ("NM TRD") to compile an annual report, to be presented the Revenue Stabilization and Tax Policy Committee and to the Legislative Finance Committee, on the deductions provided which includes:

- The number of taxpayers that claimed each deduction;
- The aggregate amount of each deduction; and
- Any other information necessary to evaluate the effectiveness of the deductions.

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 noted.

PERFORMANCE IMPLICATIONS

None to this office.

ADMINISTRATIVE IMPLICATIONS

None to this office.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 163, which proposes to create a new gross receipts tax deduction for certain small businesses.

Relates to Senate Bill 38, which proposes a number of amendments to the Tax Code.

Relates to Senate Bill 90, which also proposes amending the Gross Receipts and Compensating Tax Act.

Relates to Senate Bill 121, which also proposes amending the Gross Receipts and Compensating Tax Act.

Relates to Senate Bill 147, which proposes a number of amendments to the Tax Code.

TECHNICAL ISSUES

None noted.

OTHER SUBSTANTIVE ISSUES

None noted.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

N/A.