

Summary Table of Revenue Options

**From the *Final Report* of
Governor Richardson's Budget Balancing Task Force
December 21, 2010**

Summary Table of Options with Revenue Estimates

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
<i>Gross Receipts and Compensating Taxes</i>								
1. Increase rates	7-1-10	0						
1a. Increase rates .25%	7-1-10	0	120,360	126,980	133,583	139,461	520,385	General Fund
1b. Increase rates .5%	7-1-10	0	240,721	253,961	267,166	278,922	1,040,770	General Fund
1c. Increase rates 1%			481,442	507,921	534,333	557,844	2,081,540	General Fund
2. Increase rates 1% with credit for local rates (no tax increase inside municipalities)	7-1-10	0	117,000	113,000	119,000	124,000	463,000	General Fund
		0	1,500	1,600	1,700	1,800	6,600	Counties
3. Make compensating tax apply to sales in New Mexico	7-1-10	0	11,600	12,200	12,900	13,500	50,200	General Fund
		0	2,500	2,700	2,800	3,000	11,000	Municipalities
		0	1,600	1,700	1,800	1,800	6,900	Counties
		0	15,700	16,600	17,500	18,300	68,100	Total
4. Make New Mexico purchaser's location the place of business for out-of-state sellers with no NM place of business or without nexus in NM and apply local option rates for compensating tax	7-1-10	0	(16,000)	(17,000)	(18,000)	(19,000)	(70,000)	General Fund
		0	68,000	71,000	75,000	77,000	292,000	Municipalities
		0	23,000	24,000	25,000	27,000	99,000	Counties
		0	75,000	78,000	82,000	85,000	321,000	Total

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
5. Change tax treatment of food and associated “hold harmless” distributions:								
5a. Repeal deduction and all hold harmless distributions	7-1-10	0	228,000	239,000	250,000	262,000	979,000	General Fund
		0	0	0	0	0	0	Municipalities
		0	0	0	0	0	0	Counties
5b. Repeal deduction, 5% credit, retain 1.225 hold harmless distribution	7-1-10	0	68,000	71,000	76,000	79,000	294,000	General Fund
		0	0	0	0	0	0	Municipalities
		0	0	0	0	0	0	Counties
5c. Repeal deduction, 5% credit, repeal all hold harmless distributions	7-1-10	0	104,000	109,000	115,000	120,000	448,000	General Fund
			(36,000)	(38,000)	(40,000)	(42,000)	(155,000)	Municipalities
		0	0	0	0	0	0	Counties
5d. Exclude candy and soft drinks from the definition of “food” for purposes of the deduction	7-1-10	0	18,000	19,000	20,000	21,000	78,000	General Fund
6. Expand LICTR and low- and middle-income exemption to mitigate effect of changes in tax treatment of food or other changes to the gross receipts tax or excises	1-1-10	0	(21,378)	(21,749)	(22,126)	(22,509)	(87,762)	General Fund

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
7. Include motor fuels in gross receipts tax base:								
7a. GRT on gasoline	7-1-10	0	98,700	98,700	98,700	98,700	394,800	General Fund
		0	49,450	49,450	49,450	49,450	197,800	Municipalities
		0	16,350	16,350	16,350	16,350	65,400	Counties
		0	11,200	11,200	11,200	11,200	44,800	Pueblos/Tribes
		0	175,700	175,700	175,700	175,700	175,700	702,800
7b. 5% special fuel (diesel)	7-1-10	0	68,750	68,750	68,750	68,750	275,000	General Fund
7c. Combine 7a and 7b	7-1-10	0	167,450	167,450	167,450	167,450	669,800	General Fund
8. Repeal gross receipts tax exemption for receipts of insurance companies not subject to insurance premium tax	7-1-10	0	6,135	6,748	7,423	8,165	28,471	General Fund
		0	4,420	4,862	5,348	5,883	20,513	Municipalities
		0	939	1,033	1,137	1,250	4,359	Counties
		0	11,494	12,643	13,908	15,298	53,343	Total
Motor Vehicle Excise								
9. Increase rate	7-1-10	0	34,300	37,700	39,000	40,700	151,700	General Fund
9a. Increase rate 1%	7-1-10	0	68,700	75,300	78,000	81,300	303,300	General Fund
9b. Increase rate 2%	7-1-10	0	103,000	113,000	117,000	122,000	455,000	General Fund
9c. Increase rate 3%	7-1-10	0	140,800	154,400	159,900	166,700	621,800	General Fund
9d. Increase rate to average GRT rate								
Insurance Premium Tax								
10. Increase rate on health insurance premiums		0	19,200	42,300	46,500	51,200	159,200	General Fund
	1-1-11	0	38,400	84,600	93,000	102,400	318,400	General Fund
10a. Increase rate 1%	1-1-11	0	57,600	126,900	139,500	153,600	477,600	General Fund
10b. Increase rate 2%	1-1-11	0	59,500	131,100	144,100	158,700	493,400	General Fund

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
10c. Increase rate 3% 10d. Increase rate to average GRT rate	1-1-11							
<i>Tobacco Taxes</i>								
11. Increase rate and adjust distributions and stamp discounts	7-1-10	0	20,474	20,474	20,474	20,474	81,896	General Fund
11a. Increase rate \$.50/pack 11b. Increase rate \$1.00/pack	7-1-10	0	33,145	33,145	33,145	33,145	132,580	General Fund
12. Increase Tobacco Products Tax	7-1-10	0	3,050	3,150	3,300	3,400	12,900	General Fund
12a. Increase rate to 40%	7-1-10	0	6,550	6,750	7,000	7,200	27,500	General Fund
12b. Rate equal to tobacco excise rate (with \$.50 increase) + MSA rate on basis of tobacco content	7-1-10	0	7,700	7,900	8,300	8,500	32,400	General Fund
12c. Rate equal to tobacco excise rate (with \$1.00 increase) + MSA rate on basis of tobacco content								
13. Repeal tax-exempt stamp provisions and make distributions to new Tribal Fund for allocation to Nations, tribes and pueblos								
13a. Repeal tax-exempt under current tax rate	7-1-10	0	4,900	4,950	5,000	5,050	19,900	Tribal Fund
		0	23,300	23,250	23,200	23,150	92,900	General Fund

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
13b. Repeal tax-exempt with \$0.50 rate increase	7-1-10	0	7,600	7,670	7,740	7,800	30,810	Tribal Fund
		0	39,900	39,830	39,760	39,700	159,100	General Fund
13c. Repeal tax-exempt with \$1.00 rate increase	7-1-10	0	10,300	10,400	10,500	10,600	41,800	Tribal Fund
		0	59,300	59,200	59,100	59,000	263,600	General Fund
13d. Keep \$0.91 differential with \$0.50 rate increase	7-1-10	0	2,700	2,725	2,750	2,775	10,950	Tribal Fund
		0	18,200	18,175	18,150	18,125	72,650	General Fund
13e. Keep \$0.91 differential with \$1.00 rate increase	7-1-10	0	5,400	5,450	5,500	5,550	21,900	Tribal Fund
		0	39,050	39,000	38,950	38,900	155,900	General Fund
<i>Liquor Excise Tax</i>								
14. Apply uniform rate to spirits, wine and beer based on alcohol content	7-1-10	0	18,000	18,100	18,200	18,300	72,600	General Fund
14a. Single rate on alcohol content of each product	7-1-10	0	17,880	18,000	18,100	18,200	72,180	General Fund
14b. Rates on spirits, wine and beer that are equal based on average alcohol content								
14c Rates equivalent to \$0.10 per drink	7-1-10	0	42,600	43,100	43,500	44,100	130,700	General Fund

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
Personal Income Tax (PIT)								
15. Increase PIT rates:								
15a. 1% surtax beginning at \$100K (J and HoH), \$50K (MFS), \$67K (S)	1-1-10	7,836	74,960	85,127	77,588	82,460	327,971	General Fund
15b. 1% surtax beginning at \$150K (J and HoH), \$75K (MFS), \$100K (S)	1-1-10	5,123	56,291	64,622	59,008	62,977	248,021	General Fund
15c. 1% surtax beginning at \$250K (J and HoH), \$125K (MFS), \$167K (S)	1-1-10	3,161	41,457	48,067	43,918	47,065	183,668	General Fund
15d. 1% surtax beginning at \$500K (J and HoH), \$250K (MFS), \$333K (S)	1-1-10	1,704	28,235	32,929	30,038	32,340	125,246	General Fund
15e. 1% surtax beginning at \$100K (J and HoH), \$50K (MFS), \$67K (S)	1-1-11	0	34,227	70,754	77,588	82,460	265,029	General Fund
15f. 1% surtax beginning at \$150K (J and HoH), \$75K (MFS), \$100K (S)	1-1-11	0	25,839	53,556	59,008	62,977	201,380	General Fund
15g. 1% surtax beginning at \$250K (J and HoH), \$125K (MFS), \$167K (S)	1-1-11	0	19,093	39,676	43,918	47,065	149,753	General Fund
15h. 1% surtax beginning at \$500K (J and HoH), \$250K (MFS), \$333K (S)	1-1-11	0	12,951	26,996	30,038	32,340	102,325	General Fund
16. Reduce capital gains deduction	1-1-10	12,077	28,453	37,378	45,304	52,178	175,120	General Fund

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
16a. Reduce deduction to 25% 16b. Reduce deduction to 25% pro rata over \$250K to \$450K (J and HoH), \$125K to \$225K (MFS), \$167K to \$300K (S)	1-1-10	8,020	19,109	25,506	31,177	36,548	120,360	General Fund
16c. Reduce deduction to 25% 16d. Reduce deduction to 25% pro rata over \$250K to \$450K (J and HoH), \$125K to \$225K (MFS), \$167K to \$300K (S)	1-1-11	0	16,400	36,609	45,304	52,178	150,221	General Fund
	1-1-11	0	11,105	24,996	31,177	36,548	103,826	General Fund
17. Repeal itemized deduction for state and local taxes (adjusted pro rata for the limitation on itemized deductions)	1-1-10 1-1-11							General Fund General Fund
17a. Effective 1-1-10		3,600	65,400	47,300	50,900	53,500	220,700	
17b. Effective 1-1-11		0	23,200	47,300	50,900	53,500	174,900	
18. Simplify PIT	1-1-10	0	1,551	1,698	1,516	1,689	6,454	General Fund
Corporate Income Tax (CIT)								
19. Mandate combined reporting	1-1-11	0	5,700	32,200	18,900	7,600	64,500	General Fund
19A. Decouple from federal bonus depreciation, domestic production activities deduction and CODI effective 1-1-10	1-1-10	2,500	8,300	11,300	11,800	12,000	45,900	General Fund
20. Enact new, low-rate franchise tax based on								

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
property, payroll and sales in New Mexico above high thresholds	1-1-10	40,000	100,000	100,000	100,000	100,000	440,000	General Fund
20a. Raise \$100 million/year and phase out CIT	1-1-10	20,000	50,000	50,000	50,000	50,000	220,000	General Fund
20b. Raise \$50 million/year, no change in CIT								
20c. Raise \$100 million/year and phase out CIT	1-1-11	0	40,000	100,000	100,000	100,000	340,000	General Fund
20d. Raise \$50 million/year, no change in CIT	1-1-11	0	20,000	50,000	50,000	50,000	170,000	General Fund
<i>Income Tax Withholding</i>								
21. Tighten rules for pass-through entity (PTE) and oil and gas proceeds withholding on nonresidents, and require PTE quarterly payments	1-1-11	0	15,600	9,800	10,100	10,500	46,000	General Fund
<i>Estate Tax</i>								
22. Decouple estate tax from federal credit (using IRC section 2011 rate structure)	1-1-10	0						General Fund
22a. Effective 1-1-10	1-1-11	0	31,600	44,000	45,800	47,800	169,200	General Fund
22b. Effective 1-1-11			0	33,000	45,800	47,800	126,600	
<i>Oil and Gas Taxes</i>								
23. Increase Emergency School Tax rate on oil from		16,767	35,091	36,326	37,467	38,609	164,260	General Fund
		0	35,091	36,326	37,467	38,609	147,493	General Fund

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
3.15% to 4%								
23a. Effective 1-1-10	1-1-10							
23b. Effective 7-1-10	7-1-10							
23A. Reduce oil and gas severance tax rate .25% and increase oil and gas emergency school tax rate .25%	1-1-10	10,550 (10,550)	23,300 (23,300)	23,884 (23,884)	24,460 (24,460)	24,893 (24,893)	107,085 (107,085)	General Fund STBF
23Aa. Effective 1-1-10		0	23,300	23,884	24,460	24,893	96,536	General Fund
23Ab. Effective 7-1-10	7-1-10	0	(23,300)	(23,884)	(24,460)	(24,893)	(96,356)	STBF
24. Add graduated rates based on benchmark oil and natural gas prices								
24a. Effective 1-1-10	1-1-10							General Fund
24b. Effective 7-1-10	7-1-10	49,691	119,478	122,854	126,081	128,734	546,838	General Fund
		0	119,478	122,854	126,081	128,734	497,147	
Uranium and Coal Taxes								
25. Increase rates on uranium to levels comparable to rates on other energy resources	7-1-10							General Fund
25a. Raise rate to effective rate on oil	7-1-10	1,886						General Fund
25b. Raise rate to effective rate on natural gas	7-1-10	1,896						General Fund
25c. Raise rate to effective rate on coal		1,406						General Fund
These are hypothetical amounts based on 1 million pounds of U ₃ O ₈ production at the current price of \$49.50 per pound.								
26. Repeal coal surtax exemption	1-1-10	6,280	23,219	22,058	20,955	19,908	92,420	STBF

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
26a. Effective 1-1-10	7-1-10	0	23,219	22,058	20,955	19,908	86,140	STBF
26b. Effective 7-1-10								
<i>Business Incentive Credits</i>								
27. Adopt uniform language that addresses the goal of the credit, the base for the credit, performance standards, recapture, etc.	1-1-11	No direct revenue effect.						
28. Require additional reporting by credit recipients, making information on recipients public, periodic reports on effectiveness in meeting goals	1-1-11	No direct revenue effect.						
<i>Tax Compliance</i>								
29. Provide TRD broad authority to reallocate receipts, income, deductions, exemptions, and other items among entities to properly reflect tax liabilities and credits	7-1-10	0	250	500	750	800	2,300	General Fund
		0	50	100	150	160	460	Municipalities
		0	15	30	45	45	135	Counties
		0	315	630	945	1,045	2,895	Total
30. Increase penalties for failure to file or pay	7-1-10	0	500	500	500	500	2,000	General Fund

Option	Estimated Revenue Impact (000)							Fund(s) Affected
	Effective	FY10	FY11	FY12	FY13	FY14	FY10-14	
liabilities and for willful evasion								
31. Expand requirements for information reporting and special payment rules	7-1-10	0	450	360	360	120	1,290	General Fund
		0	225	180	180	60	645	Municipalities
		0	75	60	60	20	215	Counties
		0	750	600	600	200	2,150	Total
32. Require in-state contractors to post bonds	7-1-10	0	10,763	11,355	11,946	12,471	46,535	General Fund
		0	4,443	4,688	4,932	5,149	19,212	Municipalities
		0	1,545	1,630	1,714	1,790	6,679	Counties
		0	16,751	17,673	18,592	19,410	72,426	Total
33. Require State and local governments to collect and remit tax on contracts	7-1-10	0	3,051	2,384	2,508	2,618	10,562	General Fund
		0	1,573	1,229	1,293	1,350	5,446	Municipalities
		0	547	427	450	469	1,893	Counties
		0	5,172	4,041	4,251	4,438	17,901	Total
34. Increase administrative fee to cover all distributions to local governments	7-1-10	0	(5,204)	(5,479)	(5,757)	(6,017)	(22,457)	Municipalities
		0	5,142	5,422	5,702	5,955	22,221	Counties
		0	(11)	(16)	(22)	(31)	(80)	TIDDs
		0	73	77	81	85	316	Pueblos
		0	0	4	4	(8)	0	Total (General Fund)