

HOUSE JOINT RESOLUTION 5

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

Nathan "Nate" Cote

A JOINT RESOLUTION

PROPOSING TO AMEND ARTICLE 8 OF THE CONSTITUTION OF NEW MEXICO
BY ADDING A NEW SECTION REQUIRING A BIENNIAL REPORT ON THE
COSTS AND BENEFITS TO THE STATE FROM TAX CREDITS, DEDUCTIONS,
EXEMPTIONS AND OTHER TAX EXPENDITURES.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. It is proposed to amend Article 8 of the
constitution of New Mexico by adding a new section to read:

"A. No later than October 15 of each odd-numbered
year, the consensus revenue estimating group, in cooperation
with other appropriate state or local government agencies,
shall compile and present a tax expenditure report to the
governor and the appropriate legislative committees that
consider tax or budget issues. In the compilation and
presentation of a tax expenditure report, the consensus revenue

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1 estimating group shall take the appropriate steps necessary to
2 comply with the federal Internal Revenue Code of 1986, as
3 amended.

4 B. A tax expenditure report shall include:

5 (1) the identification of each tax expenditure
6 and the tax expenditure's statutory basis, the tax liabilities
7 against which the tax expenditure can be applied, the purpose
8 of the tax expenditure, if any, the year of enactment and the
9 date of repeal, if any;

10 (2) for at least the previous five fiscal
11 years:

12 (a) the aggregate cost in foregone
13 revenue of each tax expenditure; and

14 (b) the number of taxpayers that used
15 each tax expenditure;

16 (3) a description and quantification, if
17 quantifiable, of benefits that each tax expenditure provides to
18 the state;

19 (4) the cost expended by the state to
20 administer each tax expenditure;

21 (5) any significant unexpected effects of a
22 tax expenditure;

23 (6) the projected cost in foregone revenue of
24 each tax expenditure for, at a minimum, the current and
25 following fiscal year; and

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1 (7) identification of each deviation from the
2 state's overall tax structure that is determined by the
3 consensus revenue estimating group not to be a tax expenditure,
4 including the basis for the determination, the deviation's
5 statutory basis, the tax liabilities against which the
6 deviation can be applied, the purpose of the deviation, if any,
7 the year of enactment and the date of repeal, if any.

8 C. A taxpayer that uses a tax expenditure shall
9 report the tax expenditure in a manner necessary to facilitate
10 the tax expenditure report required by this section.

11 D. As used in this section:

12 (1) "consensus revenue estimating group" means
13 the professional economists of the department of finance and
14 administration, the department of transportation, the taxation
15 and revenue department and the legislative finance committee,
16 or their successor agencies; and

17 (2) "tax expenditure" means a credit,
18 deduction, exclusion, exemption, offset, rebate, rate
19 differential or other deviation from the state's baseline tax
20 structure, as determined by the consensus revenue estimating
21 group, that reduces a taxpayer's tax liability."

22 SECTION 2. The amendment proposed by this resolution
23 shall be submitted to the people for their approval or
24 rejection at the next general election or at any special
25 election prior to that date that may be called for that

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