

**FIFTY-SECOND LEGISLATURE  
FIRST SESSION, 2015**

March 16, 2015

Mr. Speaker:

Your **WAYS AND MEANS COMMITTEE**, to whom has been referred

**SENATE BILL 386**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. Strike all senate finance committee amendments.
2. On page 1, line 11, after the semicolon, insert "AUTHORIZING THE TAXATION AND REVENUE DEPARTMENT TO REVEAL TAX RETURN INFORMATION TO AN AUTHORIZED REPRESENTATIVE OF A LOCAL GOVERNMENT OF ANOTHER STATE WHO IS CHARGED WITH THE RESPONSIBILITY FOR ADMINISTRATION OF THAT STATE'S TAX LAWS; AMENDING PROVISIONS OF THE ANGEL INVESTMENT CREDIT; PROVIDING AN INCOME TAX DEDUCTION FOR CERTAIN UNREIMBURSED OR UNCOMPENSATED MEDICAL CARE EXPENSES; PROVIDING A DEDUCTION FROM NET INCOME OF AN ESTATE OR TRUST IN THE AMOUNT OF PERMANENT DISTRIBUTIONS TO A NONRESIDENT INDIVIDUAL; REVISING THE DUE DATE FOR CORPORATE INCOME AND FRANCHISE TAX FILING AND PAYMENT FOR ELECTRONIC SUBMISSIONS; REVISING THE DUE DATE FOR PASS-THROUGH ENTITY INFORMATION-RETURN FILING FOR ELECTRONIC SUBMISSIONS; PROVIDING FOR THE USE OF A SINGLE SALES FACTOR BY A HEADQUARTERS OPERATION IN APPORTIONING CORPORATE INCOME TO THE STATE; EXTENDING ELIGIBILITY FOR THE GROSS RECEIPTS TAX DEDUCTION FOR TRADE-SUPPORT COMPANIES IN A BORDER ZONE FOR SIX YEARS; PROVIDING A DEDUCTION FROM THE GROSS RECEIPTS TAX FOR CERTAIN RECEIPTS DERIVED FROM THE SALE OF GOODS AND SERVICES TO THE UNITED STATES DEPARTMENT OF DEFENSE RELATED TO DIRECTED ENERGY OR SATELLITES; AMENDING THE TECHNOLOGY JOBS TAX CREDIT ACT TO CREATE THE TECHNOLOGY JOBS AND RESEARCH AND DEVELOPMENT TAX CREDIT ACT;".
3. On page 1, line 13, before the period, insert "; PROVIDING A REFUND OF THE PETROLEUM PRODUCTS LOADING FEE ON PRODUCTS PREVIOUSLY LOADED FROM A SOURCE OTHER THAN A REFINER OR PIPELINE TERMINAL; PROVIDING A CONTINGENT EFFECTIVE DATE; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978".
4. On page 1, between lines 15 and 16, insert the following:  
  
"SECTION 1. Section 7-1-8.7 NMSA 1978 (being Laws 2009,

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Chapter 243, Section 9) is amended to read:

"7-1-8.7. INFORMATION THAT MAY BE REVEALED TO OTHER STATES OR MULTISTATE ADMINISTRATIVE BODIES.--An employee of the department may reveal return information to:

A. an authorized representative of another state; provided that the receiving state has entered into a written agreement with the department to use the return information for tax purposes only and that the receiving state has enacted a confidentiality statute and penalty similar to Sections 7-1-8 and 7-1-76 NMSA 1978 to which the representative is subject;

B. an authorized representative of a local government of another state who is charged under the laws of that state with the responsibility for administration of that state's tax laws;

~~[B.]~~ C. the multistate tax commission, the federation of tax administrators or their authorized representatives; provided that the return information is used for tax purposes only and is revealed by the multistate tax commission or the federation of tax administrators only to states that have met the requirements of Subsection A of this section; and

~~[C.]~~ D. another jurisdiction pursuant to an international fuel tax agreement; provided that the return information is used for tax purposes only."

**SECTION 2.** Section 7-2-18.17 NMSA 1978 (being Laws 2007, Chapter 172, Section 1, as amended) is amended to read:

"7-2-18.17. ANGEL INVESTMENT CREDIT.--

A. A taxpayer who files a New Mexico income tax return, is not a dependent of another taxpayer, is an accredited investor and makes a qualified investment may claim a credit in an amount not to exceed twenty-five percent of [~~not more than one hundred thousand dollars (\$100,000)~~] two hundred fifty thousand dollars (\$250,000) of the qualified investment. The tax credit provided in this section shall be known as the "angel investment credit".

B. A taxpayer may claim the angel investment credit for

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not more than ~~[two]~~ one qualified ~~[investments in a taxable year; provided that each investment is in a different qualified business]~~ investment per investment round. A taxpayer may claim the angel investment credit for qualified investments ~~[made in the same qualified business or successor of that business for not more than three taxable years. The angel investment credit shall not exceed twenty-five thousand dollars (\$25,000) for each qualified investment by the taxpayer]~~ in no more than five qualified businesses per taxable year.

C. A taxpayer may claim the angel investment credit no later than one year following the end of the calendar year in which the qualified investment was made; provided that a claim for the credit may not be made or allowed with respect to any investment made after December 31, ~~[2016]~~ 2025.

D. A taxpayer shall apply for certification of eligibility for the angel investment credit from the economic development department. Completed applications shall be considered in the order received. If the economic development department determines that the taxpayer is an accredited investor and the investment is a qualified investment, it shall issue a certificate of eligibility to the taxpayer, subject to the limitation in Subsection E of this section. The certificate shall be dated and shall include a calculation of the amount of the angel investment credit for which the taxpayer is eligible. The economic development department may issue rules governing the procedure for administering the provisions of this subsection.

E. The economic development department may issue a certificate of eligibility pursuant to Subsection D of this section only if the total amount of angel investment credits represented by certificates of eligibility issued by the economic development department in any calendar year will not exceed ~~[seven hundred fifty thousand dollars (\$750,000)]~~ two million dollars (\$2,000,000). If the applications for certificates of eligibility for angel investment credits represent an aggregate amount exceeding ~~[seven hundred fifty thousand dollars (\$750,000)]~~ two million dollars (\$2,000,000) for any calendar year, certificates shall be issued in the order that ~~[the]~~ completed applications were received. The excess applications that would have been certified, but for the limit imposed by this subsection, shall be certified, subject to the

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same limit, in subsequent calendar years.

F. The economic development department shall report annually to the legislative finance committee on the utilization and effectiveness of the angel investment credit. The report shall include, at a minimum: the number of accredited investors to whom certificates of eligibility were issued by the economic development department in the previous year; the names of those investors; the amount of angel investment credit for which each investor was certified eligible; and the number and names of the businesses that the economic development department has determined are qualified businesses for purposes of an investment by an accredited investor. The report shall also include an evaluation of the success of the angel investment credit as an incubator of new businesses in New Mexico and of the continued viability and operation in New Mexico of businesses in which investments eligible for the angel investment credit have been made.

G. To claim the angel investment credit, the taxpayer must provide to the taxation and revenue department a certificate of eligibility issued by the economic development department pursuant to Subsection D of this section and any other information the taxation and revenue department may require to determine the amount of the tax credit due the taxpayer. If the requirements of this section have been complied with, the taxation and revenue department shall approve the claim for the credit.

H. A taxpayer who otherwise qualifies for and claims a credit pursuant to this section for a qualified investment made by a partnership or other business association of which the taxpayer is a member may claim a credit only in proportion to the taxpayer's interest in the partnership or business association. [~~The total credit claimed in the aggregate by all members of the partnership or business association in a taxable year with respect to a qualified investment shall not exceed twenty-five thousand dollars (\$25,000).~~]

I. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim one-half of the credit that would have been allowed on a joint return.

J. The angel investment credit may only be deducted from

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the taxpayer's income tax liability. Any portion of the tax credit provided by this section that remains unused at the end of the taxpayer's taxable year may be carried forward for [~~three~~] five consecutive years.

K. As used in this section:

(1) "accredited investor" means a person who is an accredited investor within the meaning of Rule 501 issued by the federal securities and exchange commission pursuant to the federal Securities Act of 1933, as amended;

(2) "business" means a corporation, general partnership, limited partnership, limited liability company or other similar entity, but excludes an entity that is a government or a nonprofit organization designated as such by the federal government or any state;

(3) "equity" means common or preferred stock of a corporation, a partnership interest in a limited partnership or a membership interest in a limited liability company, including debt subject to an option in favor of the creditor to convert the debt into common or preferred stock, a partnership interest or a membership interest;

~~[(4) "high-technology research" means research:~~

~~(a) that is undertaken for the purpose of discovering information that is technological in nature and the application of which is intended to be useful in the development of a new or improved business component of the qualified business; and~~

~~(b) substantially all of the activities of which constitute elements of a process or experimentation related to a new or improved function, performance, reliability or quality, but not related to style, taste or cosmetic or seasonal design factors;]~~

(4) "investment round" means an offer and sale of securities and all other offers and sales of securities that would be integrated with such offer and sale of securities under Regulation D issued by the federal securities and exchange commission pursuant to the federal Securities Act of 1933, as

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amended;

(5) "manufacturing" means combining or processing components or materials to increase their value for sale in the ordinary course of business, but does not include:

- (a) construction;
- (b) farming;
- (c) processing natural resources, including hydrocarbons; or
- (d) preparing meals for immediate consumption, on- or off-premises;

(6) "qualified business" means a business that:

(a) maintains its principal place of business and employs a majority of its full-time employees, if any, in New Mexico and a majority of its tangible assets, if any, are located in New Mexico;

(b) engages in [~~high-technology~~] qualified research or manufacturing activities in New Mexico;

(c) is not primarily engaged in or is not primarily organized as any of the following types of businesses: credit or finance services, including banks, savings and loan associations, credit unions, small loan companies or title loan companies; financial brokering or investment; professional services, including accounting, legal services, engineering and any other service the practice of which requires a license; insurance; real estate; construction or construction contracting; consulting or brokering; mining; wholesale or retail trade; providing utility service, including water, sewerage, electricity, natural gas, propane or butane; publishing, including publishing newspapers or other periodicals; broadcasting; or providing internet operating services;

(d) has not issued securities registered pursuant to Section 6 of the federal Securities Act of 1933, as

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amended; has not issued securities traded on a national securities exchange; is not subject to reporting requirements of the federal Securities Exchange Act of 1934, as amended; and is not registered pursuant to the federal Investment Company Act of 1940, as amended, at the time of the investment;

(e) has one hundred or fewer employees calculated on a full-time-equivalent basis [~~at the time of the investment~~] in the taxable year in which the investment was made; and

(f) has not had gross revenues in excess of five million dollars (\$5,000,000) in any fiscal year ending on or before the date of the investment; [~~and~~]

(7) "qualified investment" means a cash investment in a qualified business for equity, but does not include an investment by a taxpayer if the taxpayer, a member of the taxpayer's immediate family or an entity affiliated with the taxpayer receives compensation from the qualified business in exchange for services provided to the qualified business within one year of investment in the qualified business; and

(8) "qualified research" means "qualified research" as defined by Section 41 of the Internal Revenue Code."

**SECTION 3.** A new section of the Income Tax Act is enacted to read:

**"[NEW MATERIAL] DEDUCTION--UNREIMBURSED OR UNCOMPENSATED MEDICAL CARE EXPENSES.--**

A. A taxpayer may claim a deduction from net income in an amount determined pursuant to Subsection B of this section for medical care expenses paid during the taxable year for medical care of the taxpayer, the taxpayer's spouse or a dependent if the expenses are not reimbursed or compensated for by insurance or otherwise and have not been included in the taxpayer's itemized deductions, as defined in Section 63 of the Internal Revenue Code, for the taxable year.

B. The deduction provided in Subsection A of this

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section may be claimed in an amount equal to the following percentage of medical care expenses paid during the taxable year based on the taxpayer's filing status and adjusted gross income as follows:

(1) for surviving spouses and married individuals filing joint returns:

If adjusted gross income is:	The following percent of medical care expenses paid may be deducted:
Not over \$30,000	25 percent
More than \$30,000 but not more than \$70,000	15 percent
Over \$70,000	10 percent;

(2) for single individuals and married individuals filing separate returns:

If adjusted gross income is:	The following percent of medical care expenses paid may be deducted:
Not over \$15,000	25 percent
More than \$15,000 but not more than \$35,000	15 percent
Over \$35,000	10 percent; and

(3) for heads of household:

If adjusted gross income is:	The following percent of medical care expenses paid may be deducted:
Not over \$20,000	25 percent
More than \$20,000 but not more than \$50,000	15 percent
Over \$50,000	10 percent.

C. As used in this section:

(1) "dependent" means dependent as defined in Section 152 of the Internal Revenue Code;



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(2) "health care facility" means a hospital, outpatient facility, diagnostic and treatment center, rehabilitation center, free-standing hospice or other similar facility at which medical care is provided;

(3) "medical care" means the diagnosis, cure, mitigation, treatment or prevention of disease or for the purpose of affecting any structure or function of the body;

(4) "medical care expenses" means amounts paid for:

(a) the diagnosis, cure, mitigation, treatment or prevention of disease or for the purpose of affecting any structure or function of the body, excluding cosmetic surgery, if provided by a physician or in a health care facility;

(b) prescribed drugs or insulin;

(c) qualified long-term care services as defined in Section 7702B(c) of the Internal Revenue Code;

(d) insurance covering medical care, including amounts paid as premiums under Part B of Title 18 of the Social Security Act or for a qualified long-term care insurance contract defined in Section 7702B(b) of the Internal Revenue Code, if the insurance or other amount is paid from income included in the taxpayer's adjusted gross income for the taxable year;

(e) nursing services, regardless of where the services are rendered, if provided by a practical nurse or a professional nurse licensed to practice in the state pursuant to the Nursing Practice Act;

(f) specialized treatment or the use of special therapeutic devices if the treatment or device is prescribed by a physician and the patient can show that the expense was incurred primarily for the prevention or alleviation of a physical or mental defect or illness; and

(g) care in an institution other than a hospital, such as a sanitarium or rest home, if the principal reason

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for the presence of the person in the institution is to receive the medical care available; provided that if the meals and lodging are furnished as a necessary part of such care, the cost of the meals and lodging are "medical care expenses";

(5) "physician" means a medical doctor, osteopathic physician, dentist, podiatrist, chiropractic physician or psychologist licensed or certified to practice in New Mexico; and

(6) "prescribed drug" means a drug or biological that requires a prescription of a physician for its use by an individual."

**SECTION 4.** A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] DEDUCTION--PERMANENT DISTRIBUTIONS TO A NONRESIDENT INDIVIDUAL FROM NET INCOME OF AN ESTATE OR TRUST.--

A. Prior to January 1, 2021, a taxpayer that is an estate or trust may claim a deduction from net income in the amount equal to income, excluding income derived from real property located in New Mexico, mineral, oil and gas interests located in New Mexico, water rights located in New Mexico and income allocated or apportioned to New Mexico pursuant to the Uniform Division of Income For Tax Purposes Act, that is set aside for future distribution to a nonresident individual beneficiary under the terms of the governing instrument of the estate or trust.

B. The purpose of the deduction provided by this section is to assist in the expansion of the trust and estate business in New Mexico.

C. A determination as to whether and to what extent income is set aside for future distribution to a nonresident individual beneficiary shall be made as follows:

(1) if all or part of the federal taxable income of the estate or trust is distributable in future taxable years, whether or not added to the estate or trust corpus for estate or trust accounting purposes, to or for the benefit of a named individual beneficiary or a first-named class of individual

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beneficiaries and if, on the last day of the taxable year of the estate or trust, one or more named individual beneficiaries or one or more members of the first-named class of individual beneficiaries is living, the portion of the federal taxable income of the estate or trust considered set aside for future distribution to a nonresident individual beneficiary shall be determined as follows:

(a) in the case of a named individual beneficiary, by first determining the share or shares of each named individual beneficiary as if the estate or trust had terminated on the last day of the taxable year and then determining the portion of such income realized by the estate or trust during the taxable year while the beneficiary was a nonresident; and

(b) in the case of a first-named class of beneficiaries, by first determining who the members of the class would be and the share of each member if the estate or trust had terminated on the last day of the taxable year and then determining the portion of income of each such share realized by the estate or trust while the member was a nonresident; and

(2) if all or part of the federal taxable income of the estate or trust is distributable in future taxable years, whether or not added to estate or trust corpus for estate or trust accounting purposes, to or for the benefit of a named individual beneficiary or a first-named class of individual beneficiaries and if, on the last day of the taxable year of the estate or trust, one or more named individual beneficiaries or one or more members of the first-named class of individual beneficiaries is living, the portion of the federal taxable income of the estate or trust considered set aside for future distribution to a nonresident individual beneficiary shall be determined in the manner provided in Paragraph (1) of this subsection, except that it will be presumed that:

(a) in the case of a named individual beneficiary, the beneficiary was living and residing in the state where the putative parents resided during the taxable year; and

(b) in the case of the first-named class of beneficiaries, any member of the class was living and residing with the person the relationship to whom determines or defines the membership in the class.

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D. In determining the share of each beneficiary of an estate or trust in the federal taxable income pursuant to Subsection C of this section, the discretion of any person over the distribution of such income, whether or not acting in a fiduciary capacity and whether or not subject to a standard, shall be presumed not to have been exercised unless such discretion was irrevocably exercised as of the last day of the taxable year.

E. In determining when federal taxable income was realized pursuant to Subsection C of this section, the following rules shall apply for determining the deduction provided by this section:

(1) interest income shall be considered realized when payable;

(2) dividend income shall be considered realized on the day the dividend is payable;

(3) gains and losses from the sale or exchange of property shall be considered realized or deductible, as the case may be, on the settlement date of the sale or the effective date of the exchange; and

(4) commissions on income or principal shall be deemed deductible on the date charged.

F. A taxpayer allowed a deduction pursuant to this section shall report the amount of the deduction separately in a manner required by the department.

G. The department shall compile an annual report on the deduction provided by this section that shall include the number of taxpayers that claimed the deduction, the aggregate amount of deductions claimed and any other information necessary to evaluate the effectiveness of the deduction. Beginning in 2018, the department shall compile and present the annual reports to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the effectiveness and cost of the deduction and whether the deduction is performing the purpose for which it was created."

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**SECTION 5.** Section 7-2A-9 NMSA 1978 (being Laws 1981, Chapter 37, Section 42, as amended) is amended to read:

**"7-2A-9. TAXPAYER RETURNS--PAYMENT OF TAX.--**

A. Every corporation deriving income from any business transaction, property or employment within this state, ~~[and]~~ that is not exempt from tax under the Corporate Income and Franchise Tax Act ~~[which]~~ and that is required by the laws of the United States to file a federal income tax return shall file a complete tax return with the department in form and content as prescribed by the secretary. ~~[Corporations shall file such returns with the department on or before the fifteenth day of the third month following the end of each taxable year. The corporate income tax imposed on corporations under Subsection A of Section 7-2A-3 NMSA 1978 is due and payment is required on or before the fifteenth day of the third month following the end of the taxable year.]~~ Except as provided in Subsection C of this section, a corporation that is required by the provisions of the Corporate Income and Franchise Tax Act to file a return or pay a tax shall, on or before the fifteenth day of the third month following the end of each taxable year, file the return and pay the tax levied for that year.

B. Every domestic or foreign corporation that is not exempt from tax under the Corporate Income and Franchise Tax Act, that is employed or engaged in the transaction of business in, into or from this state or ~~[deriving]~~ that derives any income from property or employment within this state and every domestic or foreign corporation, regardless of whether it is engaged in active business, ~~[or not, but having or exercising]~~ that has or exercises its corporate franchise in this state and that is not exempt from tax under the Corporate Income and Franchise Tax Act ~~[is required to]~~ shall file a return in the form and content as prescribed by the secretary and pay the tax levied pursuant to Subsection B of Section 7-2A-3 NMSA 1978 in the amount for each corporation as specified in Section 7-2A-5.1 NMSA 1978. Returns and payment of tax for corporate franchise tax for a taxable year shall be filed and paid on the date specified in Subsection A or C of this section for payment of corporate income tax for the preceding taxable year.

C. A corporation that is required by the provisions of the Corporate Income and Franchise Tax Act to file a return or pay a

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tax and that is approved by the department to use electronic media for filing and paying taxes shall, if using electronic media for filing and paying taxes, file the return and pay the tax levied for that taxable year on or before the thirtieth day of the third month following the end of that year."

**SECTION 6.** Section 7-3A-7 NMSA 1978 (being Laws 2003, Chapter 86, Section 10, as amended) is amended to read:

"7-3A-7. STATEMENTS OF WITHHOLDING.--

A. Every remitter shall:

(1) file an annual statement of withholding for each remittee that:

(a) is in electronic format and includes a form 1099-Misc or a successor form or on a pro forma 1099-Misc or a successor form for those entities that do not receive an internal revenue service form 1099-Misc;

(b) is filed with the department on or before the last day of February of the year following that for which the statement is made; and

(c) includes the total oil and gas proceeds paid to the remittee and the total amount of tax withheld for the calendar year; and

(2) provide a copy of the annual statement of withholding to the remittee on or before February 15 of the year following the year for which the statement is made.

B. The department shall develop and adopt rules regarding the filing of a report pursuant to this section and the attachment of form 1099-Misc or a successor form or a pro forma 1099-Misc or a successor form, if the remitter is not able to file those forms in an electronic format.

C. Every remitter shall file an electronic report of the remittees who have certified that the remittee is responsible for filing the remittee's own oil and gas proceeds tax report and for

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paying the remittee's oil and gas proceeds tax liability due.

D. Every pass-through entity doing business in New Mexico shall:

(1) file an annual information return with the department that:

(a) is filed on or before: 1) the due date of the entity's federal return for the taxable year; or 2) if the entity's taxable year is a calendar year, if the entity is approved by the department to use electronic media for filing and if the entity uses electronic media to file the annual information return, the end of the month in which the entity's federal return is due;

(b) is signed by the business manager or one of the owners of the pass-through entity; and

(c) contains all information required by the department, including the pass-through entity's gross income; the pass-through entity's net income; the amount of each owner's allocable share of the pass-through entity's net income; and the name, address and tax identification number of each owner entitled to an allocable share of net income; and

(2) provide to each of its owners sufficient information to enable the owner to comply with the provisions of the Income Tax Act and the Corporate Income and Franchise Tax Act with respect to the owner's allocable share of net income.

E. The department shall compile each year the annual statements of withholding received from the remitters and the annual information returns received from pass-through entities and compare the compilations with the records of corporations, individuals, estates or trusts filing income tax returns."

**SECTION 7.** Section 7-4-10 NMSA 1978 (being Laws 1993, Chapter 153, Section 1, as amended) is amended to read:

"7-4-10. APPORTIONMENT OF BUSINESS INCOME.--

A. Except as provided in [~~Subsection B~~] Subsections B

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and C of this section, all business income shall be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor and the denominator of which is three.

B. A taxpayer whose principal business activity in New Mexico is manufacturing may elect to have business income apportioned to this state:

(1) in the taxable year beginning on or after January 1, 2014 and prior to January 1, 2015, by multiplying the income by a fraction, the numerator of which is twice the sales factor plus the property factor plus the payroll factor and the denominator of which is four;

(2) in the taxable year beginning on or after January 1, 2015 and prior to January 1, 2016, by multiplying the income by a fraction, the numerator of which is three multiplied by the sales factor plus the property factor plus the payroll factor and the denominator of which is five;

(3) in the taxable year beginning on or after January 1, 2016 and prior to January 1, 2017, by multiplying the income by a fraction, the numerator of which is seven multiplied by the sales factor plus one and one-half multiplied by the property factor plus one and one-half multiplied by the payroll factor and the denominator of which is ten;

(4) in the taxable year beginning on or after January 1, 2017 and prior to January 1, 2018, by multiplying the income by a fraction, the numerator of which is eight multiplied by the sales factor plus the property factor plus the payroll factor and the denominator of which is ten; and

(5) in taxable years beginning on or after January 1, 2018, by multiplying the income by a fraction, the numerator of which is the total sales of the taxpayer in New Mexico during the taxable year and the denominator of which is the total sales of the taxpayer from any location within or outside of the state during the taxable year.

C. A taxpayer whose principal business activity in New



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Mexico is a headquarters operation may elect to have business income apportioned to this state by multiplying the income by a fraction, the numerator of which is the total sales of the taxpayer in New Mexico during the taxable year and the denominator of which is the total sales of the taxpayer from any location within or outside of the state during the taxable year.

~~[C.]~~ D. To elect the method of apportionment provided by Subsection B or C of this section, the taxpayer shall notify the department of the election, in writing, no later than the date on which the taxpayer files the return for the first taxable year to which the election will apply. The election will apply to that taxable year and to each taxable year thereafter until the taxpayer notifies the department, in writing, that the election is terminated, except that the taxpayer shall not terminate the election until the method of apportioning business income provided by Subsection B of this section has been used by the taxpayer for at least three consecutive taxable years, including a total of at least thirty-six calendar months. The election will apply to the separately filed return of the taxpayer or the combined or consolidated return the taxpayer has elected to be included pursuant to Section 7-2A-8.3 or 7-2A-8.4 NMSA 1978.

~~[D.]~~ E. For purposes of this section:

(1) "headquarters operation" means:

(a) the center of operations of a business:  
1) where corporate staff employees are physically employed; 2) where centralized functions are performed, including administrative, planning, managerial, human resources, purchasing, information technology and accounting, but not including operating a call center; 3) the function and purpose of which is to manage and direct most aspects and functions of the business operations within a subdivided area of the United States; 4) from which final authority over regional or subregional offices, operating facilities and any other offices of the business are issued; and 5) including national and regional headquarters if the national headquarters is subordinate only to the ownership of the business or its representatives and the regional headquarters is subordinate to the national headquarters; or

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(b) the center of operations of a business:  
1) the function and purpose of which is to manage and direct most aspects of one or more centralized functions; and 2) from which final authority over one or more centralized functions is issued; and

(2) "manufacturing" means combining or processing components or materials to increase their value for sale in the ordinary course of business, but does not include:

~~[(1)]~~ (a) construction;

~~[(2)]~~ (b) farming;

~~[(3)]~~ (c) power generation, except for electricity generation at a facility other than one for which both location approval and a certificate of convenience and necessity are required prior to commencing construction or operation of the facility, pursuant to the Public Utility Act; or

~~[(4)]~~ (d) processing natural resources, including hydrocarbons."

**SECTION 8.** Section 7-4-17 NMSA 1978 (being Laws 1965, Chapter 203, Section 17, as amended) is amended to read:

"7-4-17. DETERMINATION OF SALES IN THIS STATE OF TANGIBLE PERSONAL PROPERTY FOR INCLUSION IN SALES FACTOR.--Sales of tangible personal property are in this state if:

A. the property is delivered or shipped to a purchaser other than the United States government within this state regardless of the f. o. b. point or other conditions of the sale; or

B. the property is shipped from an office, store, warehouse, factory or other place of storage in this state and:

(1) the purchaser is the United States government;

or

(2) the taxpayer:

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(a) is not taxable in the state of the purchaser; and

(b) did not make an election for apportionment of business income pursuant to Subsection B or C of Section 7-4-10 NMSA 1978."

**SECTION 9.** Section 7-9-56.3 NMSA 1978 (being Laws 2003, Chapter 232, Section 1, as amended) is amended to read:

"7-9-56.3. DEDUCTION--GROSS RECEIPTS--TRADE-SUPPORT COMPANY IN A BORDER ZONE.--

A. The receipts of a trade-support company may be deducted from gross receipts if:

(1) the trade-support company first locates in New Mexico within twenty miles of a port of entry on New Mexico's border with Mexico on or after July 1, 2003 but before July 1, 2013 or on or after July 1, 2015 but before July 1, 2021;

(2) the receipts are received by the company within a five-year period beginning on the date the trade-support company locates in New Mexico and the receipts are derived from its business activities and operations at its border zone location; and

(3) the trade-support company employs at least two employees in New Mexico.

B. A taxpayer allowed a deduction pursuant to this section shall report the amount of the deduction separately in a manner required by the department.

C. The department shall compile an annual report on the deduction created pursuant to this section that shall include the number of taxpayers approved by the department to receive the deduction, the aggregate amount of deductions approved and any other information necessary to evaluate the effectiveness of the deduction. Beginning in 2016 and every four years thereafter that the deduction is in effect, the department shall compile and present the annual reports to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of

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the effectiveness and cost of the deduction.

[B.] D. As used in this section:

(1) "employee" means an individual, other than an individual who:

(a) bears any of the relationships described in Paragraphs (1) through (8) of 26 U.S.C. Section 152(a) to the employer or, if the employer is a corporation, to an individual who owns, directly or indirectly, more than fifty percent in value of the outstanding stock of the corporation or, if the employer is an entity other than a corporation, to an individual who owns, directly or indirectly, more than fifty percent of the capital and profits interests in the entity;

(b) if the employer is an estate or trust, is a grantor, beneficiary or fiduciary of the estate or trust or is an individual who bears any of the relationships described in Paragraphs (1) through (8) of 26 U.S.C. Section 152(a) to a grantor, beneficiary or fiduciary of the estate or trust; or

(c) is a dependent, as that term is described in 26 U.S.C. Section 152(a)(9), of the employer, or, if the taxpayer is a corporation, of an individual who owns, directly or indirectly, more than fifty percent in value of the outstanding stock of the corporation or, if the employer is an entity other than a corporation, an individual who owns, directly or indirectly, more than fifty percent of the capital and profits interests in the entity or, if the employer is an estate or trust, of a grantor, beneficiary or fiduciary of the estate or trust;

(2) "port of entry" means an international port of entry in New Mexico at which customs services are provided by United States customs and border protection; and

(3) "trade-support company" means a customs brokerage firm or a freight forwarder."

**SECTION 10.** A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

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"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--GOODS AND SERVICES FOR THE DEPARTMENT OF DEFENSE RELATED TO DIRECTED ENERGY AND SATELLITES--TEN-YEAR PERIOD--REPORTING.--

A. Receipts in the period July 1, 2015 through June 30, 2025 from the sale by a qualified contractor of qualified research and development services and qualified directed energy and satellite-related inputs may be deducted from gross receipts when sold pursuant to a contract with the United States department of defense.

B. The purposes of the deduction allowed in this section are to promote new and sophisticated technology, enhance the viability of directed energy and satellite projects, attract new projects and employers to New Mexico and increase high-technology employment opportunities in New Mexico.

C. A taxpayer allowed a deduction pursuant to this section shall report the amount of the deduction separately in a manner required by the department.

D. The department shall compile an annual report on the deduction provided by this section that shall include the number of taxpayers that claimed the deduction, the aggregate amount of deductions claimed and any other information necessary to evaluate the effectiveness of the deduction. Beginning in 2022 and each year thereafter that the deduction is in effect, the department and the economic development department shall present the annual report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the effectiveness and cost of the deduction and whether the deduction is performing the purpose for which it was created.

E. As used in this section:

(1) "directed energy" means a system, including related services, that enables the use of the frequency spectrum, including radio waves, light and x-rays;

(2) "inputs" means systems, subsystems, components, prototypes and demonstrators or products and services involving optics, photonics, electronics, advanced materials,

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nanoelectromechanical and microelectromechanical systems, fabrication materials, test evaluation and computer control systems related to directed energy or satellites;

(3) "qualified contractor" means a person other than an organization designated as a national laboratory by act of congress or any operator of national laboratory facilities in New Mexico; provided that the operator may be a qualified contractor with respect to the operator's receipts not connected with operating the national laboratory;

(4) "qualified directed energy and satellite-related inputs" means inputs supplied to the department of defense pursuant to a contract with that department entered into on or after July 1, 2015;

(5) "qualified research and development services" means research and development services related to directed energy or satellites provided to the department of defense pursuant to a contract with that department entered into on or after July 1, 2015; and

(6) "satellite" means composite systems assembled and packaged for use in space, including launch vehicles and related products and services."

**SECTION 11.** Section 7-9F-1 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 22, Section 1) is amended to read:

"7-9F-1. **SHORT TITLE.**--~~[This act]~~ Chapter 7, Article 9F NMSA 1978 may be cited as the "Technology Jobs and Research and Development Tax Credit Act"."

**SECTION 12.** Section 7-9F-2 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 22, Section 2) is amended to read:

"7-9F-2. **PURPOSE OF ACT.**--It is the purpose of the Technology Jobs and Research and Development Tax Credit Act to provide a favorable tax climate for technology-based businesses engaging in research, development and experimentation and to promote increased employment and higher wages in those fields in New Mexico."

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**SECTION 13.** Section 7-9F-3 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 22, Section 3) is amended to read:

**"7-9F-3. DEFINITIONS.--**As used in the Technology Jobs and Research and Development Tax Credit Act:

A. "affiliate" means a person who directly or indirectly owns or controls, is owned or controlled by or is under common ownership or control with another person through ownership of voting securities or other ownership interests representing a majority of the total voting power of the entity;

B. "annual payroll expense" means the wages paid or payable to employees in the state by the taxpayer [~~for the one-year period ending on the day~~] in the taxable year for which the taxpayer applies for an additional credit pursuant to the Technology Jobs and Research and Development Tax Credit Act;

C. "base payroll expense" means the wages paid or payable by the taxpayer [~~for the one-year period ending on the day one year prior to the day~~] in the taxable year prior to the taxable year for which the taxpayer applies for an additional credit pursuant to the Technology Jobs and Research and Development Tax Credit Act, adjusted for any increase from the preceding taxable year in the consumer price index for the United States for all items as published by the United States department of labor [~~since that day~~] in the taxable year for which the additional credit is claimed. In a taxable year during which a taxpayer has been part of a business merger or acquisition or other change in business organization, the taxpayer's base payroll expense shall include the payroll expense of all entities included in the reorganization for all positions that are included in the business entity resulting from the reorganization;

D. "department" means the taxation and revenue department, the secretary of taxation and revenue or any employee of the department exercising authority lawfully delegated to that employee by the secretary;

E. "facility" means a factory, mill, plant, refinery, warehouse, dairy, feedlot, building or complex of buildings located within the state, including the land on which [~~the facility~~] it is

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located and all machinery, equipment and other real and tangible personal property located at or within ~~[the facility]~~ it and used in connection with ~~[the]~~ its operation ~~[of the facility]~~;

F. "local option gross receipts tax" means a tax authorized to be imposed by a county or municipality upon the taxpayer's gross receipts, as that term is defined in the Gross Receipts and Compensating Tax Act, and required to be collected by the department at the same time and in the same manner as the gross receipts tax; "local option gross receipts tax" includes the taxes imposed pursuant to the Municipal Local Option Gross Receipts Taxes Act, Supplemental Municipal Gross Receipts Tax Act, County Local Option Gross Receipts Taxes Act, Local Hospital Gross Receipts Tax Act, County Correctional Facility Gross Receipts Tax Act and such other acts as may be enacted authorizing counties or municipalities to impose taxes on gross receipts, which taxes are to be collected by the department in the same time and in the same manner as it collects the gross receipts tax;

~~[F.]~~ G. "qualified expenditure" means an expenditure or an allocated portion of an expenditure by a taxpayer in connection with qualified research at a qualified facility, including expenditures for depletable land and rent paid or incurred for land, improvements, the allowable amount paid or incurred to operate or maintain a facility, buildings, equipment, computer software, computer software upgrades, consultants and contractors performing work in New Mexico, payroll, technical books and manuals and test materials, but not including any expenditure on property that is owned by a municipality or county in connection with an industrial revenue bond project, property for which the taxpayer has received any credit pursuant to the ~~[Capital Equipment Tax Credit Act or the]~~ Investment Credit Act, property that was owned by the taxpayer or an affiliate before ~~[the effective date of the Technology Jobs Tax Credit Act]~~ July 3, 2000 or research and development expenditures reimbursed by a person who is not an affiliate of the taxpayer. If ~~[an]~~ a "qualified expenditure" is an allocation of an expenditure, the cost accounting methodology used for the allocation of the expenditure shall be the same cost accounting methodology used by the taxpayer in its other business activities;

~~[G.]~~ H. "qualified facility" means a facility in New Mexico at which qualified research is conducted other than a



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facility operated by a taxpayer for the United States or any agency, department or instrumentality thereof;

[H.] I. "qualified research" means research:

(1) that is undertaken for the purpose of discovering information:

(a) that is technological in nature; and

(b) the application of which is intended to be useful in the development of a new or improved business component of the taxpayer; and

(2) substantially all of the activities of which constitute elements of a process of experimentation related to a new or improved function, performance, reliability or quality, but not related to style, taste or cosmetic or seasonal design factors;

J. "qualified research and development small business" means a taxpayer that:

(1) employed no more than fifty employees as determined by the number of employees for which the taxpayer was liable for unemployment insurance coverage in the taxable year for which an additional credit is claimed;

(2) had total qualified expenditures of no more than five million dollars (\$5,000,000) in the taxable year for which an additional credit is claimed; and

(3) did not have more than fifty percent of its voting securities or other equity interest with the right to designate or elect the board of directors or other governing body of the business owned directly or indirectly by another business;

[H.] K. "rural area" means any area of the state other than [~~a class A county, a class B county that has a net taxable value for rate-setting purposes for any property tax year of more than three billion dollars (\$3,000,000,000), the municipality of Rio Rancho and the area within three miles of the exterior boundaries of a class A county]~~ the state fairgrounds, an incorporated

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municipality with a population of thirty thousand or more according to the most recent federal decennial census and any area within three miles of the external boundaries of an incorporated municipality with a population of thirty thousand or more according to the most recent federal decennial census;

[J.] L. "taxpayer" means any of the following persons, other than a federal, state or other governmental unit or subdivision or an agency, department, institution or instrumentality thereof:

- (1) a person liable for payment of any tax;
- (2) a person responsible for withholding and payment or collection and payment of any tax;
- (3) a person to whom an assessment has been made if the assessment remains unabated or the assessed amount has not been paid; or
- (4) for purposes of the additional credit against the taxpayer's income tax pursuant to the Technology Jobs and Research and Development Tax Credit Act and to the extent of their respective interest in that entity, the shareholders, members, partners or other owners of:
  - (a) a small business corporation that has elected to be treated as an S corporation for federal income tax purposes; or
  - (b) an entity treated as a partnership or disregarded entity for federal income tax purposes; and

[K.] M. "wages" means remuneration [~~in cash or other form~~] for services performed by an employee in the state of New Mexico for an employer."

**SECTION 14.** Section 7-9F-4 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 22, Section 4) is amended to read:

"7-9F-4. ADMINISTRATION OF ACT.--The department shall administer the Technology Jobs and Research and Development Tax

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Credit Act pursuant to the Tax Administration Act."

**SECTION 15.** Section 7-9F-5 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 22, Section 5) is amended to read:

"7-9F-5. BASIC CREDIT--ADDITIONAL CREDIT--AMOUNTS--CLAIMANT.--

A. The basic credit provided for in the Technology Jobs and Research and Development Tax Credit Act is an amount equal to [~~four~~] five percent of the amount of qualified expenditures made by a taxpayer conducting qualified research at a qualified facility.

B. The additional credit provided for in the Technology Jobs and Research and Development Tax Credit Act is an amount equal to [~~four~~] five percent of the amount of qualified expenditures made by a taxpayer conducting qualified research at a qualified facility."

**SECTION 16.** Section 7-9F-6 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 22, Section 6) is amended to read:

"7-9F-6. ELIGIBILITY REQUIREMENTS.--

A. A taxpayer conducting qualified research at a qualified facility and making qualified expenditures is eligible to claim the basic credit pursuant to the Technology Jobs and Research and Development Tax Credit Act.

B. A taxpayer conducting qualified research at a qualified facility and making qualified expenditures is eligible to claim the additional credit pursuant to the Technology Jobs and Research and Development Tax Credit Act if:

(1) the taxpayer increases the taxpayer's annual payroll expense at the qualified facility by at least seventy-five thousand dollars (\$75,000) over the base payroll expense of the taxpayer;

(2) the increase in Paragraph (1) of this subsection has not previously been used to meet the requirements of this subsection; and

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(3) there is at least a seventy-five-thousand-dollar (\$75,000) increase in the taxpayer's annual payroll expense for every one million dollars (\$1,000,000) in qualified expenditures claimed by the taxpayer in a taxable year in the same claim."

SECTION 17. Section 7-9F-9 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 22, Section 9) is amended to read:

"7-9F-9. CLAIMING THE BASIC CREDIT [~~FOR CERTAIN TAXES~~].--

A. A taxpayer may apply for approval of a credit within one year following the end of the [~~calendar year~~] reporting period in which the qualified expenditure was made.

B. A taxpayer having applied for and been granted approval for a basic credit by the department pursuant to the Technology Jobs and Research and Development Tax Credit Act may claim the amount of the approved basic credit against the taxpayer's compensating tax, withholding tax or gross receipts tax, [~~or withholding tax~~] excluding local option gross receipts tax, due to the state of New Mexico; provided that no taxpayer may claim an amount of approved basic credit for [~~any~~] a reporting period in which the basic credit is being claimed that exceeds the sum of the taxpayer's compensating tax, withholding tax and gross receipts tax, [compensating tax and withholding tax] excluding local option gross receipts tax, due for that reporting period.

~~[C. A taxpayer who has applied for and been granted approval for an additional credit by the department pursuant to the Technology Jobs Tax Credit Act may claim the amount of the approved additional credit against the taxpayer's income tax or corporate income tax due the state of New Mexico; provided that:~~

~~(1) no taxpayer may claim an amount of approved additional credit for any reporting period that exceeds the amount of the taxpayer's income tax or corporate income tax due for that reporting period; and~~

~~(2) a husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the additional credit that would have been allowed them on a joint return.~~

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~~D.]~~ C. Any amount of approved basic credit not claimed against the taxpayer's compensating tax, withholding tax or gross receipts tax, [compensating tax or withholding tax] excluding local option gross receipts tax, due [and any amount of approved additional credit not claimed against the taxpayer's income tax or corporate income tax due for a reporting period] may be claimed in subsequent reporting periods [provided that a husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the additional credit that would have been allowed them on a joint return] for a period of up to three years from the date of the original claim."

**SECTION 18.** A new section of the Technology Jobs and Research and Development Tax Credit Act, Section 7-9F-9.1 NMSA 1978, is enacted to read:

"7-9F-9.1. [NEW MATERIAL] CLAIMING THE ADDITIONAL CREDIT.--

A. A taxpayer may apply for approval of an additional credit pursuant to the Technology Jobs and Research and Development Tax Credit Act within one year following the end of the taxable year in which the qualified expenditure was made.

B. A taxpayer that has applied for and been granted approval for an additional credit by the department pursuant to the Technology Jobs and Research and Development Tax Credit Act may claim the amount of the approved additional credit against the taxpayer's income tax or corporate income tax liability. Except as provided in Subsection C of this section, no taxpayer may claim an amount of approved additional credit for a taxable year in which the additional credit is being claimed that exceeds the amount of the taxpayer's income tax or corporate income tax due for that taxable year.

C. If a taxpayer is a qualified research and development small business and the amount of approved additional credit for the taxable year in which the additional credit is being claimed exceeds the taxpayer's income tax liability or corporate income tax liability, the excess shall be refunded to the taxpayer pursuant to Paragraphs (1) through (3) of this subsection. If the taxpayer's total qualified expenditures for the taxable year for which the

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claim is made is:

(1) less than three million dollars (\$3,000,000), the excess additional credit shall be refunded to the taxpayer;

(2) greater than or equal to three million dollars (\$3,000,000) and less than four million dollars (\$4,000,000), two-thirds of the excess additional credit shall be refunded to the taxpayer; and

(3) greater than or equal to four million dollars (\$4,000,000) and less than or equal to five million dollars (\$5,000,000), one-third of the excess additional credit shall be refunded to the taxpayer.

D. Any amount of approved additional credit not claimed against the taxpayer's income tax or corporate income tax due for a taxable year or refunded to the taxpayer may be claimed in subsequent reporting periods for a period of up to three years from the date of the original claim.

E. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the additional credit that would have been claimed on a joint return."

**SECTION 19.** A new section of the Technology Jobs and Research and Development Tax Credit Act is enacted to read:

"[NEW MATERIAL] TAXPAYER REPORTING REQUIREMENT.--A taxpayer claiming a credit pursuant to the Technology Jobs and Research and Development Tax Credit Act shall file reports with the department. The reports shall be submitted on or before June 30 of the year following a calendar year in which the taxpayer claims a basic or additional credit and by June 30 of each of the two succeeding years. The reports shall contain information describing the taxpayer's business operations in New Mexico that is sufficient for the department to enforce the recapture provision pursuant to Section 7-9F-11 NMSA 1978. If a taxpayer fails to submit a required report, the amount of any basic or additional credit claimed for that year shall be subject to the recapture provision.""

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5. On page 2, line 5, after "allow", insert a comma and strike the comma after "claim".

6. On page 2, between lines 16 and 17, insert the following new section:

"SECTION 21. A new section of the Petroleum Products Loading Fee Act is enacted to read:

"[NEW MATERIAL] CLAIM FOR REFUND OF PETROLEUM PRODUCTS LOADING FEE ON PRODUCTS PREVIOUSLY LOADED FROM A SOURCE OTHER THAN A REFINER OR PIPELINE TERMINAL.--

A. Upon the submission of proof satisfactory to the department, a distributor may claim, and the department may allow, a claim for refund of a New Mexico tax paid on petroleum products previously loaded in New Mexico from a source other than a refiner or pipeline terminal in this state and placed in a terminal from which it will be loaded into tank cars, tank trucks, tank wagons or other types of transportation equipment.

B. No person may submit claims for refund pursuant to this section more frequently than quarterly. No claim for refund may be submitted or allowed on less than one hundred gallons.

C. The department may prescribe the documents necessary to support a claim for refund pursuant to the provisions of this section."".

7. On page 3, line 7, after "allow", insert a comma and strike the comma after "claim".

8. On page 3, between lines 18 and 19, insert the following:

"SECTION 23. TEMPORARY PROVISION--TRANSITION OF THE RESEARCH AND DEVELOPMENT SMALL BUSINESS TAX CREDIT.--A taxpayer that is eligible for a research and development small business tax credit but has not claimed the credit prior to July 1, 2015 may claim the credit in accordance with the provisions of the Research and Development Small Business Tax Credit Act in effect immediately prior to July 1, 2015. The taxation and revenue department shall approve claims submitted but not approved prior to July 1, 2015 if

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the claim meets the requirements of the Research and Development Small Business Tax Credit Act in effect immediately prior to July 1, 2015. Claiming the research and development small business tax credit pursuant to this section with respect to a reporting period renders the taxpayer ineligible to claim a credit for the same reporting period pursuant to the Technology Jobs and Research and Development Tax Credit Act.

**SECTION 24. TEMPORARY PROVISION--TRANSFER OF REFERENCE OF LAW.--**On and after July 1, 2015, references in law to the Technology Jobs Tax Credit Act shall be deemed to be references to the Technology Jobs and Research and Development Tax Credit Act.

**SECTION 25. REPEAL.--**Sections 7-9F-7 and 7-9H-1 through 7-9H-6 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 22, Section 7 and Laws 2005, Chapter 104, Sections 11 through 16, as amended) are repealed.

**SECTION 26. APPLICABILITY.--**

A. The provisions of Sections 3, 5 and 6 of this act apply to taxable years beginning on or after January 1, 2015.

B. The provisions of Sections 2, 7, 8 and 18 of this act apply to taxable years beginning on or after January 1, 2015, provided that those sections become effective pursuant to Section 27 of this act.

C. The provisions of Sections 11 through 19 and 23 of this act apply to taxpayers that make a qualified expenditure beginning on or after January 1, 2015, provided that those sections become effective pursuant to Section 27 of this act.

D. The provisions of Section 4 of this act apply to taxable years beginning on or after January 1, 2016; provided that section becomes effective pursuant to Section 27 of this act."

9. On page 3, strike Section 3 in its entirety and insert in lieu thereof the following:

**"SECTION 27. CONTINGENT EFFECTIVE DATE.--**



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A. The effective date of the provisions of Sections 2, 4, 7 through 19 and 23 through 25 of this act is the later of July 1, 2015, the date certification pursuant to Subsection B of this section is received, if that date falls on the first day of a month, or the first day of the month following the date certification pursuant to Subsection B of this section is received.

B. The state gaming representative shall certify to the secretary of finance and administration, the legislative council service and the New Mexico compilation commission that publication of notice in the federal register has occurred of the secretary of the interior's approval of, or of the secretary's failure to act on, a tribal-state class III gaming compact approved by the first session of the fifty-second legislature.

**SECTION 28. EFFECTIVE DATE.**--The effective date of the provisions of Sections 20 through 22 of this act is July 1, 2015."

10. Renumber sections to correspond with these amendments.

Respectfully submitted,

\_\_\_\_\_  
**Jason C. Harper, Chairman**

Adopted \_\_\_\_\_  
(Chief Clerk)

Not Adopted \_\_\_\_\_  
(Chief Clerk)

Date \_\_\_\_\_

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The roll call vote was 13 For 0 Against  
Yes: 13  
No: 0  
Excused: None  
Absent: None

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