

1 SENATE BILL 212

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

4 Carrie Hamblen

10 AN ACT

11 RELATING TO TAXATION; CREATING GROSS RECEIPTS TAX EXEMPTIONS
12 FOR THE SALE OF QUALIFIED SKI AREA EQUIPMENT AND FOR THE
13 IMPROVEMENT OR CONSTRUCTION OF A BUILDING ON A SKI AREA;
14 AMENDING CERTAIN DEDUCTIONS FOR PERSONS ENGAGED IN THE
15 CONSTRUCTION BUSINESS.

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. A new section of the Gross Receipts and
19 Compensating Tax Act is enacted to read:

20 "[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS TAX FOR SALE OF
21 QUALIFIED SKI AREA EQUIPMENT--IMPROVEMENT OR CONSTRUCTION OF A
22 BUILDING ON A SKI AREA.--

23 A. Exempted from the state gross receipts tax, but
24 not any local option gross receipts tax, are receipts of a
25 person engaged in the construction business for the sale of

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1 qualified ski area equipment to a ski area operator; provided
2 that the qualified ski area equipment shall be used exclusively
3 in the ski area operator's ski area.

4 B. Exempted from the state gross receipts tax, but
5 not any local option gross receipts tax, are receipts of a
6 person engaged in the construction business for the sale of a
7 construction project that is the improvement or construction of
8 a building located on a ski area operated by a ski area
9 operator.

10 C. A taxpayer allowed an exemption pursuant to this
11 section shall report the amount of the exemption to the
12 department in a manner required by the department.

13 D. The exemptions provided by this section shall be
14 included in the tax expenditure budget pursuant to Section
15 7-1-84 NMSA 1978, including the annual aggregate cost of the
16 exemption.

17 E. As used in this section:

18 (1) "qualified ski area equipment" means heavy
19 equipment used on a ski area, such as a ski run or trail
20 groomer, bulldozer, front-end loader, skid steer generally used
21 to prepare or improve a ski run or trail or snowmaking system;

22 (2) "ski area" means the property owned,
23 permitted, leased or under the control of a ski area operator
24 and administered as a single enterprise within the state; and

25 (3) "ski area operator" means any person,

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1 partnership, corporation or other commercial entity and its
2 agents, officers, employees or representatives that has
3 operational responsibility for a ski area or ski lift."

4 SECTION 2. Section 7-9-5 NMSA 1978 (being Laws 1966,
5 Chapter 47, Section 5, as amended) is amended to read:

6 "7-9-5. PRESUMPTION OF TAXABILITY.--

7 A. To prevent evasion of the gross receipts tax and
8 to aid in its administration, it is presumed that all receipts
9 of a person engaging in business are subject to the gross
10 receipts tax. Except as provided in Section 1 of this 2026
11 act, a person engaged solely in transactions specifically
12 exempt under the provisions of the Gross Receipts and
13 Compensating Tax Act shall not be required to register or file
14 a return under that act.

15 B. If receipts from nontaxable charges for mobile
16 telecommunications services are aggregated with and not
17 separately stated from taxable charges for mobile
18 telecommunications services, the charges for nontaxable mobile
19 telecommunications services shall be subject to gross receipts
20 tax unless the home service provider can reasonably identify
21 nontaxable charges in its books and records that are kept in
22 the regular course of business. For the purposes of this
23 subsection, "charges for mobile telecommunications services",
24 "home service provider" and "mobile telecommunications
25 services" have the meanings given in the federal Mobile

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Telecommunications Sourcing Act.

C. A marketplace provider engaging in business in this state is not liable for amounts of gross receipts tax collected incorrectly due to the marketplace provider reasonably relying on erroneous information provided by the seller."

SECTION 3. Section 7-9-51 NMSA 1978 (being Laws 1969, Chapter 144, Section 41, as amended) is amended to read:

"7-9-51. DEDUCTION--GROSS RECEIPTS TAX--SALE OF
CONSTRUCTION MATERIAL TO PERSONS ENGAGED IN THE CONSTRUCTION
BUSINESS.--

A. Receipts from selling construction material may be deducted from gross receipts if the sale is made to a person engaged in the construction business who delivers a nontaxable transaction certificate to the seller or provides alternative evidence pursuant to Section 7-9-43 NMSA 1978.

B. The buyer must incorporate the construction material as:

(1) an ingredient or component part of a construction project that is subject to the gross receipts tax upon its completion or upon the completion of the overall construction project of which it is a part;

(2) an ingredient or component part of a construction project that is subject to the gross receipts tax upon the sale in the ordinary course of business of the real

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1 property upon which it was constructed; [or]

2 (3) an ingredient or component part of a
3 construction project that is located on the tribal territory of
4 an Indian nation, tribe or pueblo; or

5 (4) an ingredient or component part of a
6 construction project that is sold to a ski area operator for
7 which the exemption pursuant to Section 1 of this 2026 act may
8 be claimed.

9 C. As used in this section:

10 (1) "ski area" means the property owned,
11 permitted, leased or under the control of a ski area operator
12 and administered as a single enterprise within the state; and

13 (2) "ski area operator" means any person,
14 partnership, corporation or other commercial entity and its
15 agents, officers, employees or representatives that has
16 operational responsibility for a ski area or ski lift."

17 SECTION 4. Section 7-9-52 NMSA 1978 (being Laws 1969,
18 Chapter 144, Section 42, as amended) is amended to read:

19 "7-9-52. DEDUCTION--GROSS RECEIPTS TAX--SALE OF
20 CONSTRUCTION SERVICES AND CONSTRUCTION-RELATED SERVICES TO
21 PERSONS ENGAGED IN THE CONSTRUCTION BUSINESS.--

22 A. Receipts from selling a construction service or
23 a construction-related service may be deducted from gross
24 receipts if the sale is made to a person engaged in the
25 construction business who delivers a nontaxable transaction

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certificate to the person performing the construction service or a construction-related service or provides alternative evidence pursuant to Section 7-9-43 NMSA 1978.

B. The buyer shall have the construction services or construction-related services directly contracted for or billed to:

(1) a construction project that is subject to the gross receipts tax upon its completion or upon the completion of the overall construction project of which it is a part;

(2) a construction project that is subject to the gross receipts tax upon the sale in the ordinary course of business of the real property upon which it was constructed;

[or]

(3) a construction project that is located on the tribal territory of an Indian nation, tribe or pueblo; or

(4) a construction project that is sold to a ski area operator for which the exemption pursuant to Section 1 of this 2026 act may be claimed.

C. As used in this section:

(1) "ski area" means the property owned, permitted, leased or under the control of a ski area operator and administered as a single enterprise within the state; and

(2) "ski area operator" means any person, partnership, corporation or other commercial entity and its

agents, officers, employees or representatives that has operational responsibility for a ski area or ski lift."

SECTION 5. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2026.

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