

AN ACT

RELATING TO TAXATION; PROVIDING GROSS RECEIPTS DEDUCTIONS FOR ALL RECEIPTS OF AN AIRCRAFT MANUFACTURER FROM THE SALE OF AIRCRAFT AND THE RECEIPTS OF ANY PERSON FOR CERTAIN AIRCRAFT SERVICES; DECLARING AN EMERGENCY.

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

Section 1. Section 7-9-62 NMSA 1978 (being Laws 1969, Chapter 144, Section 52, as amended) is amended to read:

"7-9-62. DEDUCTION--GROSS RECEIPTS TAX--AGRICULTURAL IMPLEMENTS--AIRCRAFT--VEHICLES THAT ARE NOT REQUIRED TO BE REGISTERED.--

A. Except for receipts deductible under Subsection B of this section, fifty percent of the receipts from selling agricultural implements, farm tractors, aircraft or vehicles that are not required to be registered under the Motor Vehicle Code may be deducted from gross receipts; provided that, with respect to agricultural implements, the sale is made to a person who states in writing that the person is regularly engaged in the business of farming or ranching. Any deduction allowed under Section 7-9-71 NMSA 1978 must be taken before the deduction allowed by this subsection is computed.

B. Receipts of an aircraft manufacturer from selling aircraft may be deducted from gross receipts. Any

deduction allowed under Section 7-9-71 NMSA 1978 must be taken before the deduction allowed by this subsection is computed.

C. As used in this section, "agricultural implement" means a tool, utensil or instrument that is:

(1) designed primarily for use with a source of motive power, such as a tractor, in planting, growing, cultivating, harvesting or processing agricultural produce at the place where the produce is grown; in raising poultry or livestock; or in obtaining or processing food or fiber, such as eggs, milk, wool or mohair, from living poultry or livestock at the place where the poultry or livestock are kept for this purpose; and

(2) depreciable for federal income tax purposes."

Section 2. A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

~~"DEDUCTION--GROSS RECEIPTS TAX--AIRCRAFT SERVICES.--~~  
Receipts from refurbishing, remodeling or otherwise modifying transport category aircraft over sixty-five thousand pounds gross landing weight may be deducted from gross receipts. As used in this section, "refurbishing, remodeling or otherwise modifying" does not include routine line maintenance of such aircraft."

Section 3. EFFECTIVE DATE.--The effective date of the HB 14  
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provisions of this act is July 1, 2000.

Section 4. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.\_\_\_\_\_