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AN ACT
RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS
RECEIPTS FOR RETAIL SALES MADE ON THE FIRST SATURDAY AFTER
THANKSGIVING BY CERTAIN BUSINESSES.

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

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

"DEDUCTION--GROSS RECEIPTS TAX--RETAIL SALES BY CERTAIN
BUSINESSES.--

A. Prior to July 1, 2020, receipts from the sale
at retail of the following types of tangible personal
property may be deducted if the sales price of the property
is less than five hundred dollars (\$500) and:

(1) the sale occurs during the period
beginning at 12:01 a.m. on the first Saturday after
Thanksgiving and ending at midnight on the same Saturday;

(2) the sale is for:
(a) an article of clothing or footwear
designed to be worn on or about the human body;
(b) accessories, including jewelry,
handbags, book bags, backpacks, luggage, wallets, watches and
similar items worn or carried on or about the human body,
without regard to whether worn on the body in a manner
characteristic of clothing;

- 1 (c) sporting goods and camping
2 equipment;
- 3 (d) tools used for home improvement,
4 gardening and automotive maintenance and repair;
- 5 (e) books, journals, paper, writing
6 instruments, art supplies, greeting cards and postcards;
- 7 (f) works of art, including any
8 painting, drawing, print, photograph, sculpture, pottery or
9 ceramics, carving, textile, basketry, artifact, natural
10 specimen, rare book, authors' papers, objects of historical
11 or technical interest or other article of intrinsic cultural
12 value;
- 13 (g) floral arrangements and indoor
14 plants;
- 15 (h) cosmetics and personal grooming
16 items;
- 17 (i) musical instruments;
- 18 (j) cookware and small home appliances
19 for residential use;
- 20 (k) bedding, towels and bath
21 accessories;
- 22 (l) furniture;
- 23 (m) a toy or game that is a physical
24 item, product or object clearly intended and designed to be
25 used by children or families in play;

1 (n) a video game or video game console
2 and any associated accessories for the video game console; or

3 (o) home electronics such as computers,
4 phones, tablets, stereo equipment and related electronics
5 accessories; and

6 (3) the sale is made by a seller that
7 carries on a trade or business in New Mexico, maintains its
8 primary place of business in New Mexico, as determined by the
9 department, and employed no more than ten employees at any
10 one time during the previous fiscal year.

11 B. Receipts for sales made by a business that
12 operates under a franchise agreement may not be deducted
13 pursuant to this section.

14 C. The purpose of the deduction provided by this
15 section is to increase sales at small local businesses.

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

19 E. The department shall compile an annual report
20 on the deduction provided by this section that shall include
21 the number of taxpayers that claimed the deduction, the
22 aggregate amount of deductions claimed and any other
23 information necessary to evaluate the effectiveness of the
24 deduction. The department shall present the annual report to
25 the revenue stabilization and tax policy committee and the

1 legislative finance committee with an analysis of the
2 effectiveness and cost of the deduction and whether the
3 deduction is performing the purpose for which it was
4 created."

5 SECTION 2. EFFECTIVE DATE.--The effective date of the
6 provisions of this act is July 1, 2018.

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