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SENATE BILL

**54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; CREATING A DEDUCTION FROM GROSS RECEIPTS FOR NEW MEXICO COMPANIES FOR TRANSPORTING FREIGHT WITHIN THE STATE.

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:

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--TRANSPORTING FREIGHT IN A BORDER ZONE.--

A. The receipts of a company for transporting freight within the state may be deducted from gross receipts if the company's principal place of business is located in New Mexico within thirty-five miles of a port of entry on New Mexico's border with Mexico.

B. A taxpayer allowed a deduction pursuant to this

.211035.2

underscored material = new  
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1 section shall report the amount of the deduction separately in  
2 a manner required by the department.

3 C. The department shall compile an annual report on  
4 the deduction created pursuant to this section that shall  
5 include the number of taxpayers approved by the department to  
6 receive the deduction, the aggregate amount of deductions  
7 approved and any other information necessary to evaluate the  
8 effectiveness of the deduction. The department shall present  
9 the annual report to the revenue stabilization and tax policy  
10 committee and the legislative finance committee with an  
11 analysis of the effectiveness and cost of the deduction.

12 D. As used in this section:

13 (1) "company" means a company that moves  
14 freight by truck and hires trucks to transport freight within  
15 the state; and

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

19 SECTION 2. EFFECTIVE DATE.--The effective date of the  
20 provisions of this act is July 1, 2019.

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