SENATE BILL

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; EXCLUDING CERTAIN ENTITIES FROM A GROSS RECEIPTS TAX EXEMPTION FOR NONPROFIT ORGANIZATIONS.

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

SECTION 1. Section 7-9-29 NMSA 1978 (being Laws 1970, Chapter 12, Section 3, as amended) is amended to read:

"7-9-29. EXEMPTION--GROSS RECEIPTS TAX--CERTAIN ORGANIZATIONS--<u>EXCEPTIONS</u>.--

A. Exempted from the gross receipts tax are the receipts of organizations that demonstrate to the department that they have been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the United States Internal Revenue Code of [1954] <u>1986</u>, as <u>that section may be</u> amended or renumbered.

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B. Exempted from the gross receipts tax are the receipts from carrying on chamber of commerce, visitor bureau and convention bureau functions of organizations that demonstrate to the department that they have been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(6) of the United States Internal Revenue Code of [1954] 1986, as that section may be amended or renumbered.

C. This section does not apply to:

(1) receipts derived from an unrelated trade or business as defined in Section 513 of the United States Internal Revenue Code of [1954] 1986, as that section may be amended or renumbered; or

(2) receipts of a prime contractor that are derived from operating a facility in New Mexico designated as a national laboratory by an act of congress."

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

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