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SENATE BILL

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; REQUIRING THE TAXATION AND REVENUE DEPARTMENT TO REVISE REPORTING FORMS FOR GROSS RECEIPTS AND COMPENSATING TAXES SO THAT EXEMPTIONS AND DEDUCTIONS CLAIMED ARE ITEMIZED; REQUIRING THAT ALL GROSS RECEIPTS EARNED IN NEW MEXICO BE REPORTED AND TAX BENEFITS REDUCING GROSS RECEIPTS BE ITEMIZED.

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

SECTION 1. Section 7-9-5 NMSA 1978 (being Laws 1966, Chapter 47, Section 5, as amended) is amended to read:

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

A. To prevent evasion of the gross receipts tax and to aid in its administration, it is presumed that all receipts of a person engaging in business are subject to the gross receipts tax. ~~[Any person engaged solely in transactions~~

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 ~~specifically exempt under the provisions of the Gross Receipts~~
2 ~~and Compensating Tax Act shall not be required to register or~~
3 ~~file a return under that act.] A person who has gross receipts
4 shall report all of the gross receipts for the period as
5 required by the department. The person shall itemize
6 exemptions or deductions claimed on a form provided by the
7 department and in a manner that meets rules of the department.
8 Each deduction shall be stated separately and identified.
9 Multiple deductions claimed for the period pursuant to the same
10 section of law may be aggregated.~~

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

23 SECTION 2. EFFECTIVE DATE.--The effective date of the
24 provisions of this act is July 1, 2011.