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HOUSE BILL 369

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Joseph Cervantes

AN ACT

RELATING TO THE INVESTMENT CREDIT ACT; CHANGING THE DEFINITION
OF "MANUFACTURING".

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

Section 1. Section 7-9A-3 NMSA 1978 (being Laws 1979,
Chapter 347, Section 3, as amended) is amended to read:

"7-9A-3. DEFINITIONS. -- As used in the Investment Credit
Act:

A. "department" means the taxation and revenue
department, the secretary of taxation and revenue or any
employee of the department exercising authority lawfully
delegated to that employee by the secretary;

B. "equipment" means an essential machine,
mechanism or tool, or a component or fitting thereof, used
directly and exclusively in a manufacturing operation and

underscored material = new
[bracketed material] = delete

1 subject to depreciation for purposes of the Internal Revenue
2 Code by the taxpayer carrying on the manufacturing operation.
3 "Equipment" does not include any vehicle that leaves the site
4 of the manufacturing operation for purposes of transporting
5 persons or property or any property for which the taxpayer
6 claims the credit pursuant to Section 7-9-79 NMSA 1978;

7 C. "manufacturing" means combining or processing
8 components or materials, including recyclable materials, to
9 increase their value for sale in the ordinary course of
10 business, including genetic testing and production, but not
11 including:

12 (1) construction;

13 [~~(2) farming;~~

14 ~~(3)] (2) power generation other than
15 electricity generation at facilities in any class B county
16 with:~~

17 (a) a population of more than forty-
18 seven thousand but less than sixty thousand according to the
19 1990 federal decennial census and with a net taxable value for
20 property taxation purposes for the 1999 property tax year of
21 more than five hundred fifty million dollars (\$550,000,000);

22 (b) a population of less than twenty
23 thousand according to the 1990 federal decennial census and
24 with a net taxable value for property taxation purposes for
25 the 1999 property tax year of more than two hundred ten

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1 million dollars (\$210,000,000) but less than four hundred
2 million dollars (\$400,000,000);

3 (c) a population of more than fifteen
4 thousand but less than nineteen thousand according to the 1990
5 federal decennial census and with a net taxable value for
6 property taxation purposes for the 1999 property tax year of
7 more than one hundred eighty million dollars (\$180,000,000)
8 but less than two hundred forty million dollars
9 (\$240,000,000);

10 (d) a population of more than forty-two
11 thousand but less than forty-five thousand according to the
12 1990 federal decennial census and with a net taxable value for
13 property taxation purposes for the 1999 property tax year of
14 more than three hundred million dollars (\$300,000,000) but
15 less than four hundred million dollars (\$400,000,000);

16 (e) a population of less than six
17 thousand according to the 1990 federal decennial census and
18 with a net taxable value for property taxation purposes for
19 the 1999 property tax year of more than one hundred million
20 dollars (\$100,000,000); or

21 (f) a population of less than thirty-
22 five thousand according to the 1990 federal decennial census
23 and with a net taxable value for property taxation purposes
24 for the 1999 property tax year of more than seven hundred
25 million dollars (\$700,000,000); or

underscored material = new
[bracketed material] = delete

1 [~~(4)~~] (3) processing natural resources,
2 including hydrocarbons;

3 D. "manufacturing operation" means a plant,
4 including a genetic testing and production facility, employing
5 personnel to perform production tasks, in conjunction with
6 equipment not previously existing at the site, to produce
7 goods;

8 E. "recyclable materials" means materials that
9 would otherwise become solid waste if not recycled and that
10 can be collected, separated or processed and placed in use in
11 the form of raw materials or products; and

12 F. "taxpayer" means a person liable for payment of
13 any tax, a person responsible for withholding and payment over
14 or for collection and payment over of any tax, or a person to
15 whom an assessment has been made, if the assessment
16 remains unabated or the amount thereof has not been paid. "

17 Section 2. EFFECTIVE DATE. -- The effective date of the
18 provisions of this act is July 1, 2002.