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HOUSE BILL 115

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

INTRODUCED BY

Mary Helen Garcia

AN ACT

RELATING TO GAMING TAXATION; DISTRIBUTING A PERCENTAGE OF
GAMING TAX REVENUES GENERATED BY RACETRACK GAMING OPERATOR
LICENSEES TO THE LOCAL GOVERNMENTS IN WHICH THE RACETRACKS ARE
LOCATED TO PROVIDE FUNDS FOR LOCAL INFRASTRUCTURE AND
SERVICES.

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

Section 1. A new section of the Tax Administration Act
is enacted to read:

"NEW MATERIAL DISTRIBUTION--GAMING TAX.--A distribution
pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each
municipality in which a racetrack gaming operator licensed
pursuant to the Gaming Control Act is located and to each
county in which a racetrack gaming operator licensee is
located outside the exterior boundaries of any municipality in

underscored material = new
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1 an amount equal to six and one-half percent of the net
2 receipts attributable to the gaming tax paid by the racetrack
3 gaming operator licensee pursuant to Section 60-2E-47 NMSA
4 1978. "

5 Section 2. Section 60-2E-47 NMSA 1978 (being Laws 1997,
6 Chapter 190, Section 49, as amended by Laws 2001, Chapter 256,
7 Section 1 and by Laws 2001, Chapter 262, Section 3) is amended
8 to read:

9 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION. --

10 A. An excise tax is imposed on the privilege of
11 engaging in gaming activities in the state. This tax shall be
12 known as the "gaming tax".

13 B. The gaming tax is an amount equal to ten
14 percent of the gross receipts of manufacturer licensees from
15 the sale, lease or other transfer of gaming devices in or into
16 the state, except receipts of a manufacturer from the sale,
17 lease or other transfer to a licensed distributor for
18 subsequent sale or lease may be excluded from gross receipts;
19 ten percent of the gross receipts of distributor licensees
20 from the sale, lease or other transfer of gaming devices in or
21 into the state; ten percent of the net take of a gaming
22 operator licensee that is a nonprofit organization; and
23 twenty-five percent of the net take of every other gaming
24 operator licensee. For the purposes of this section, "gross
25 receipts" means the total amount of money or the value of

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1 other consideration received from selling, leasing or
2 otherwise transferring gaming devices.

3 C. The gaming tax imposed on a licensee is in lieu
4 of all state and local gross receipts taxes on that portion of
5 the licensee's gross receipts attributable to gaming
6 activities.

7 D. The gaming tax is to be paid on or before the
8 fifteenth day of the month following the month in which the
9 taxable event occurs. The gaming tax shall be administered
10 and collected by the taxation and revenue department in
11 cooperation with the board. The provisions of the Tax
12 Administration Act apply to the collection and administration
13 of the tax.

14 E. In addition to the gaming tax, a gaming
15 operator licensee that is a racetrack shall pay twenty percent
16 of its net take to purses to be distributed in accordance with
17 rules adopted by the state racing commission. An amount not
18 to exceed twenty percent of the interest earned on the balance
19 of any fund consisting of money for purses distributed by
20 racetrack gaming operator licensees pursuant to this
21 subsection may be expended for the costs of administering the
22 distributions. A racetrack gaming operator licensee shall
23 spend no less than one-fourth of one percent of the net take
24 of its gaming machines to fund or support programs for the
25 treatment and assistance of compulsive gamblers.

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F. A nonprofit gaming operator licensee shall distribute at least sixty percent of the balance of its net take, after payment of the gaming tax and any income taxes, for charitable or educational purposes.

G. A municipality or county receiving a percentage of gaming tax revenues generated by a racetrack gaming operator licensee from a distribution pursuant to Section 1 of this 2002 act shall use those revenues for acquisition, construction or improvement of local government infrastructure or for providing police and fire protection services."

Section 3. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 2002.