1	SENATE JOINT MEMORIAL 85
2	45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002
3	INTRODUCED BY
4	William E. Sharer
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10	A JOINT MEMORIAL
11	REQUESTING THE NEW MEXICO LEGISLATIVE COUNCIL TO APPOINT A
12	TASK FORCE TO STUDY ISSUES SURROUNDING THE GROSS RECEIPTS TAX.
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14	WHEREAS, New Mexico is one of only four states that
15	imposes some form of a gross receipts tax, making the tax a
16	potential barrier to businesses considering relocating to New
17	Mexico because business executives are unfamiliar with it; and
18	WHEREAS, thirty-two states, not including New Mexico, are
19	considering a proposal to enact a uniform, simplified sales
20	tax in order to ease the burden of companies that do business
21	in a number of states; and
22	WHEREAS, New Mexico's gross receipts tax is imposed on a
23	broad range of business activities in the state, including the
24	business receipts of state and local governments; and
25	WHEREAS, there are at least ninety exemptions and
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deductions to the gross receipts tax, some of which properly
avoid the problem of tax pyramiding and others that are
granted simply due to the efforts of a particular industry and
its supporters to secure a tax break; and

WHEREAS, measures that erode the gross receipts tax base continue to be proposed and made in a piecemeal fashion, with some proponents arguing that those measures are necessary to ease the tax burden of some consumers while other proponents argue that other measures are necessary to encourage economic development; and

WHEREAS, repealing the gross receipts tax and replacing it with another revenue source may have multiple benefits, including lessening the tax burden on certain consumers and encouraging economic development, both of which may lead to greater revenue to the state through other tax sources for necessary and worthwhile educational, public safety and health programs;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO that the New Mexico legislative council be requested to appoint a task force of legislators and tax policy experts from the private sector, higher education system and other organizations to study the gross receipts tax and its impact on consumers and business activity; and

BE IT FURTHER RESOLVED that the task force be directed to consider the wisdom of repealing the gross receipts tax and .140622.1 -2-

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1	replacing it with a revenue source sufficient to offset the
2	loss of revenue that would result from repealing the gross
3	receipts tax; and
4	BE IT FURTHER RESOLVED that the task force be directed to
5	make its findings and recommendations, if any, prior to the
6	second session of the forty-sixth legislature; and
7	BE IT FURTHER RESOLVED that a copy of this memorial be
8	transmitted to the New Mexico legislative council.
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