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HOUSE BILL 275

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

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
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1 subject to depreciation for purposes of the Internal Revenue
2 Code of 1986 by the taxpayer carrying on the manufacturing
3 operation. "Equipment" does not include any vehicle that
4 leaves the site of the manufacturing operation for purposes of
5 transporting persons or property or any property for which the
6 taxpayer claims the credit pursuant to Section 7-9-79 NMSA
7 1978;

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

13 (1) construction;

14 [~~(2)~~—farming;

15 ~~(3)~~] (2) power generation, except for
16 electricity generation at a facility other than one for which
17 both location approval and a certificate of convenience and
18 necessity are required prior to commencing construction or
19 operation of the facility, pursuant to the Public Utility Act
20 and the Electric Utility Industry Restructuring Act of 1999; or

21 [~~(4)~~] (3) processing natural resources,
22 including hydrocarbons;

23 D. "manufacturing operation" means a plant,
24 including a genetic testing and production facility, employing
25 personnel to perform production tasks, in conjunction with

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1 equipment not previously existing at the site, to produce
2 goods;

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

7 F. "taxpayer" means a person liable for payment of
8 any tax, a person responsible for withholding and payment over
9 or for collection and payment over of any tax or a person to
10 whom an assessment has been made, if the assessment
11 remains unabated or the amount thereof has not been paid."

12 Section 2. EFFECTIVE DATE. --The effective date of the
13 provisions of this act is July 1, 2003.

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