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SENATE BILL 132

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Caroll H. Leavell

AN ACT

RELATING TO TAXATION; DISTRIBUTING A PERCENTAGE OF GAMING TAX REVENUES GENERATED BY GAMING OPERATOR LICENSEES TO MUNICIPALITIES OR COUNTIES IN WHICH THE GAMING ESTABLISHMENTS OF THOSE LICENSEES ARE LOCATED TO PROVIDE FUNDS FOR LOCAL PUBLIC SERVICES; MAKING AN APPROPRIATION.

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 in an amount equal to one-twenty-sixth of the net receipts attributable to the gaming tax paid pursuant to Section 60-2E-47 NMSA 1978 with respect to the net take of a gaming operator that is not a nonprofit organization but that is .160040.2

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1 licensed pursuant to the Gaming Control Act to:

2 A. a municipality in which a gaming establishment  
3 of that gaming operator is located, if the gaming establishment  
4 is surrounded by or is within the boundaries of that  
5 municipality; or

6 B. a county in which a gaming establishment of that  
7 gaming operator is located, if the gaming establishment is  
8 located in the unincorporated area of that county."

9 Section 2. Section 60-2E-47 NMSA 1978 (being Laws 1997,  
10 Chapter 190, Section 49, as amended) is amended to read:

11 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION.--

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

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

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1 section, "gross receipts" means the total amount of money or  
2 the value of other consideration received from selling, leasing  
3 or otherwise transferring gaming devices.

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

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

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

Section 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2006.