

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL 322

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

INTRODUCED BY

John Arthur Smith

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PERMITTING THE TAXATION AND REVENUE DEPARTMENT TO INFORM A LICENSING BODY OF LICENSEE FAILURE TO FILE OR PAY TAXES AND OTHER RELEVANT TAXPAYER INFORMATION FOR USE IN DISCIPLINARY PROCEEDINGS; PROVIDING GROUNDS FOR ATTORNEY DISBARMENT AND FOR SUSPENSION OR REVOCATION OF PROFESSIONAL OR OCCUPATIONAL LICENSES.

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] DEPARTMENT POWER TO INFORM LICENSING BODY OF FAILURE TO FILE RETURN OR PAY TAX.--

A. When a licensee does not file the licensee's income tax return or the return of any other state or local tax administered pursuant to the Tax Administration Act for which

underscored material = new  
[bracketed material] = delete



underscored material = new  
[bracketed material] = delete

1 supreme court for any of the following causes arising after  
2 [~~his~~] the attorney's admission to practice:

3 (1) [~~his~~] the attorney's conviction of a  
4 felony or misdemeanor involving moral turpitude, in which case  
5 the record of conviction is conclusive;

6 (2) [~~Wilful~~] willful disobedience or violation  
7 of an order of the court requiring [~~him~~] the attorney to do or  
8 forbear an act connected with or in the course of [~~his~~] the  
9 attorney's profession and any violation of the oath taken by  
10 [~~him~~] the attorney or of [~~his~~] the attorney's duty as such  
11 attorney as [~~before~~] provided in [~~this~~] Chapter 36 NMSA 1978;

12 (3) corruptly or [~~wilfully~~] willfully and  
13 without authority appearing as attorney for a party to an  
14 action or proceeding;

15 (4) lending [~~his~~] the attorney's name to be  
16 used as an attorney by another party who is not an attorney;

17 (5) failing or refusing to account for money  
18 of [~~his~~] the attorney's client coming into [~~his~~] the attorney's  
19 hands as such attorney;

20 (6) failing to file a state income tax return  
21 or any other state or local tax return for which the attorney  
22 is responsible or failing to pay a settled tax liability owed  
23 by the attorney; or

24 [~~(6)~~] (7) for any other act to which such a  
25 consequence is by law attached.

.160263.1

underscored material = new  
[bracketed material] = delete

1           B. For the purposes of this section, "settled tax  
2 liability" means:

3                   (1) for taxes and tax acts administered  
4 pursuant to the Tax Administration Act, a tax liability of the  
5 licensee of one thousand dollars (\$1,000) or more established  
6 under any tax or tax act administered under the Tax  
7 Administration Act that has not been protested within the time  
8 limits prescribed by Section 7-1-24 NMSA 1978 or, if protested,  
9 has been decided against the licensee in a decision that may  
10 not be appealed or for which the time to appeal has expired; or

11                   (2) for taxes and tax acts not administered  
12 pursuant to the Tax Administration Act, a tax liability of at  
13 least five hundred dollars (\$500) that the licensee has not  
14 contested by an available administrative or judicial procedure  
15 within prescribed time limits or, if contested, has been  
16 decided against the licensee in a decision that may not be  
17 appealed or for which the time to appeal has expired."

18           Section 3. A new section of the Uniform Licensing Act is  
19 enacted to read:

20                   "[NEW MATERIAL] GROUNDS FOR SUSPENSION OR REVOCATION OF  
21 LICENSE.--

22                   A. In addition to grounds specified in any other  
23 article of Chapter 61 NMSA 1978 or grounds specified by action  
24 of a board, the failure or refusal of a licensee to file the  
25 licensee's income tax return or other state or local tax return

.160263.1

underscored material = new  
[bracketed material] = delete

1 for which the licensee is responsible or to pay a settled tax  
2 liability owed by the licensee is grounds for the revocation or  
3 suspension of the licensee's license. Discovery of the failure  
4 or refusal shall be deemed to occur on the date the board is  
5 notified of the failure or refusal by the agency responsible  
6 for administering the tax.

7 B. For the purposes of this section, "settled tax  
8 liability" means:

9 (1) for taxes and tax acts administered  
10 pursuant to the Tax Administration Act, a tax liability of the  
11 licensee of one thousand dollars (\$1,000) or more established  
12 under any tax or tax act administered under the Tax  
13 Administration Act that has not been protested within the time  
14 limits prescribed by Section 7-1-24 NMSA 1978 or, if protested,  
15 has been decided against the licensee in a decision that may  
16 not be appealed or for which the time to appeal has expired; or

17 (2) for taxes and tax acts not administered  
18 pursuant to the Tax Administration Act, a tax liability of at  
19 least five hundred dollars (\$500) that the licensee has not  
20 contested by an available administrative or judicial procedure  
21 within prescribed time limits or, if contested, has been  
22 decided against the licensee in a decision that may not be  
23 appealed or for which the time to appeal has expired."

24 Section 4. EFFECTIVE DATE.--The effective date of the  
25 provisions of this act is July 1, 2006.

.160263.1