

FORTY-EIGHTH LEGISLATURE
FIRST SESSION, 2007

SB 530/a

February 25, 2007

Madam President:

Your **FINANCE COMMITTEE**, to whom has been referred

SENATE BILL 530

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 11, after the semicolon insert "ADJUSTING DISTRIBUTIONS TO MUNICIPALITIES AND COUNTIES TO OFFSET THE FOOD AND HEALTH CARE PRACTITIONER SERVICES DEDUCTIONS IN THE GROSS RECEIPTS TAX;".

2. On page 1, between lines 16 and 17, insert the following sections:

"Section 1. Section 7-1-6.46 NMSA 1978 (being Laws 2004, Chapter 116, Section 1, as amended) is amended to read:

"7-1-6.46. DISTRIBUTION TO MUNICIPALITIES--OFFSET FOR FOOD DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES DEDUCTION.--

A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to a municipality in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to the sum of:

(1) the total deductions claimed pursuant to Section 7-9-92 NMSA 1978 for the month by taxpayers from business locations attributable to the municipality multiplied by the sum of the combined rate of all municipal local option gross receipts taxes in effect in the municipality [~~for the month~~] on January 1, 2007 plus one and two hundred twenty-five thousandths percent; and

(2) the total deductions claimed pursuant to Section 7-9-93 NMSA 1978 for the month by taxpayers from business locations attributable to the municipality multiplied by the sum of the

**FORTY-EIGHTH LEGISLATURE
FIRST SESSION, 2007**

SFC/SB 530

Page 2

combined rate of all municipal local option gross receipts taxes in effect in the municipality [~~for the month~~] on January 1, 2007 plus one and two hundred twenty-five thousandths percent.

B. The distribution pursuant to Subsection A of this section is in lieu of revenue that would have been received by the municipality but for the deductions provided by Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall be considered gross receipts tax revenue and shall be used by the municipality in the same manner as gross receipts tax revenue, including payment of gross receipts tax revenue bonds.

C. For the purposes of this section, "business locations attributable to the municipality" means business locations:

- (1) within the municipality;
- (2) on land owned by the state, commonly known as the "state fairgrounds", within the exterior boundaries of the municipality;
- (3) outside the boundaries of the municipality on land owned by the municipality; and
- (4) on an Indian reservation or pueblo grant in an area that is contiguous to the municipality and in which the municipality performs services pursuant to a contract between the municipality and the Indian tribe or Indian pueblo if:
 - (a) the contract describes an area in which the municipality is required to perform services and requires the municipality to perform services that are substantially the same as the services the municipality performs for itself; and
 - (b) the governing body of the municipality has submitted a copy of the contract to the secretary.

**FORTY-EIGHTH LEGISLATURE
FIRST SESSION, 2007**

SFC/SB 530

Page 3

D. A distribution pursuant to this section may be adjusted for a distribution made to a tax increment development district with respect to a portion of a gross receipts tax increment dedicated by a municipality pursuant to the Tax Increment for Development Act."

Section 2. Section 7-1-6.47 NMSA 1978 (being Laws 2004, Chapter 116, Section 2, as amended) is amended to read:

"7-1-6.47. DISTRIBUTION TO COUNTIES--OFFSET FOR FOOD DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES DEDUCTION.--

A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to a county in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to the sum of:

(1) the total deductions claimed pursuant to Section 7-9-92 NMSA 1978 for the month by taxpayers from business locations within a municipality in the county multiplied by the combined rate of all county local option gross receipts taxes in effect [~~for the month~~] on January 1, 2007 that are imposed throughout the county;

(2) the total deductions claimed pursuant to Section 7-9-92 NMSA 1978 for the month by taxpayers from business locations in the county but not within a municipality multiplied by the combined rate of all county local option gross receipts taxes in effect [~~for the month~~] on January 1, 2007 that are imposed in the county area not within a municipality;

(3) the total deductions claimed pursuant to Section 7-9-93 NMSA 1978 for the month by taxpayers from business locations within a municipality in the county multiplied by the combined rate of all county local option gross receipts taxes in effect [~~for the month~~] on January 1, 2007 that are imposed throughout the county; and

(4) the total deductions claimed pursuant to Section

**FORTY-EIGHTH LEGISLATURE
FIRST SESSION, 2007**

SFC/SB 530

Page 4

7-9-93 NMSA 1978 for the month by taxpayers from business locations in the county but not within a municipality multiplied by the combined rate of all county local option gross receipts taxes in effect [~~for the month~~] on January 1, 2007 that are imposed in the county area not within a municipality.

B. The distribution pursuant to Subsection A of this section is in lieu of revenue that would have been received by the county but for the deductions provided by Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall be considered gross receipts tax revenue and shall be used by the county in the same manner as gross receipts tax revenue, including payment of gross receipts tax revenue bonds.

C. A distribution pursuant to this section may be adjusted for a distribution made to a tax increment development district with respect to a portion of a gross receipts tax increment dedicated by a county pursuant to the Tax Increment for Development Act."".

3. Renumber the succeeding sections accordingly.

Respectfully submitted,

John Arthur Smith, Co-Chair
Timothy Z. Jennings, Co-Chair

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)
Date _____

The roll call vote was 9 For 0 Against

Yes: 9

No: 0

Excused: Leavell

Absent: None