

SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE SUBSTITUTE FOR
SENATE BILL 1221

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
PROVIDING FOR A DEDUCTION FROM GROSS RECEIPTS FOR SALES OF
CONSTRUCTION MATERIAL AND METALLIFEROUS MINERAL ORE TO CERTAIN
TAX-EXEMPT ORGANIZATIONS THAT ARE ORGANIZED FOR THE PURPOSE OF
PROVIDING HOME OWNERSHIP OPPORTUNITIES TO LOW-INCOME FAMILIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-60 NMSA 1978 (being Laws 1970,
Chapter 12, Section 4, as amended) is amended to read:

"7-9-60. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL
GROSS RECEIPTS TAX--SALES TO CERTAIN ORGANIZATIONS.--

A. Except as provided otherwise in Subsection B of
this section, receipts from selling tangible personal property
to organizations that have been granted exemption from the
federal income tax by the United States commissioner of

1 internal revenue as organizations described in Section
2 501(c)(3) of the United States Internal Revenue Code of 1986,
3 as amended or renumbered, may be deducted from gross receipts
4 or from governmental gross receipts if the sale is made to an
5 organization that delivers a nontaxable transaction certificate
6 to the seller. The buyer delivering the nontaxable transaction
7 certificate shall employ the tangible personal property in the
8 conduct of functions described in Section 501(c)(3) and shall
9 not employ the tangible personal property in the conduct of an
10 unrelated trade or business as defined in Section 513 of the
11 United States Internal Revenue Code of 1986, as amended or
12 renumbered.

13 B. The deduction provided by this section does not
14 apply to receipts from selling construction material or from
15 selling metalliferous mineral ore, unless the activity is for
16 the purpose of providing single-family home ownership
17 opportunities for low-income and special populations, as
18 defined by the federal department of housing and urban
19 development, by nonprofit corporations as described in Section
20 501(c)(3) of the Internal Revenue Code of 1986, as amended."