

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 346

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

AN ACT

RELATING TO TAXATION; IMPOSING AN EDUCATION SURTAX ON GROSS
RECEIPTS AND COMPENSATING TAX FOR DISTRIBUTION TO THE PUBLIC
SCHOOL FUND; PROVIDING A CONTINGENCY; 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--PUBLIC SCHOOL FUND--
EDUCATION SURTAX RECEIPTS.--A distribution pursuant to Section
7-1-6.1 NMSA 1978 of the net receipts attributable to the
education surtax shall be made to the public school fund."

Section 2. A new section of the Gross Receipts and
Compensating Tax Act is enacted to read:

"~~[NEW MATERIAL]~~ GROSS RECEIPTS--EDUCATION SURTAX.--The
gross receipts tax shall be increased by a surtax, hereby

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1 imposed, of three-fourths of one percent of gross receipts.
2 The surtax may be referred to as the "education surtax". The
3 department shall administer and enforce collection of the
4 education surtax pursuant to the provisions of the Tax
5 Administration Act and the Gross Receipts and Compensating Tax
6 Act in the same manner as the gross receipts tax."

7 Section 3. A new section of the Gross Receipts and
8 Compensating Tax Act is enacted to read:

9 "[NEW MATERIAL] COMPENSATING TAX--EDUCATION SURTAX.--The
10 compensating tax shall be increased by a surtax, hereby
11 imposed, of three-fourths of one percent of the value of
12 tangible property and services as provided in Section 7-9-7
13 NMSA 1978. The surtax may be referred to as the "education
14 surtax". The department shall administer and enforce
15 collection of the education surtax pursuant to the provisions
16 of the Tax Administration Act and the Gross Receipts and
17 Compensating Tax Act in the same manner as the compensating
18 tax."

19 Section 4. DISTRIBUTION AND APPROPRIATION.--
20 Notwithstanding the provisions of Section 1 of this act, the
21 first six hundred thousand dollars (\$600,000) of the revenue
22 raised from the education surtax shall not be distributed to
23 the public school fund but is distributed and appropriated to
24 the public education department for expenditure in fiscal years
25 2010 and 2011 to verify and correct public school data, to make
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underscored material = new
[bracketed material] = delete

1 necessary changes to the department's data collection system,
 2 to beta test the public school funding formula and to provide
 3 training to public school personnel as provided in House Bill
 4 331 of the forty-ninth legislature, first session, if that bill
 5 becomes law. Any unexpended or unencumbered balance remaining
 6 at the end of fiscal year 2011 shall revert to the public
 7 school fund.

8 Section 5. EFFECTIVE DATE--CONTINGENCY.--

9 A. Except as provided in Subsection B of this
 10 section, the effective date of the provisions of this act is
 11 July 1, 2009.

12 B. This act is contingent upon the enactment into
 13 law of a bill of the first session of the forty-ninth
 14 legislature that provides a new method for determining the
 15 state equalization guarantee distribution to public schools.
 16 If no such bill is enacted into law, the provisions of this act
 17 shall not become effective.

underscored material = new
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