

1 SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE SUBSTITUTE FOR  
2 SENATE BILL 179

3 **50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A DEDUCTION FOR LOCOMOTIVE FUEL  
12 FROM GROSS RECEIPTS AND FROM COMPENSATING TAX.

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

15 SECTION 1. A new section of the Gross Receipts and  
16 Compensating Tax Act is enacted to read:

17 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--LOCOMOTIVE  
18 ENGINE FUEL.--Receipts from the sale of fuel to a common  
19 carrier to be loaded or used in a locomotive engine may be  
20 deducted from gross receipts. For the purposes of this  
21 section, "locomotive engine" means a wheeled vehicle consisting  
22 of a self-propelled engine that is used to draw trains along  
23 railway tracks."

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

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underscored material = new  
[bracketed material] = delete

1            "[NEW MATERIAL] DEDUCTION--COMPENSATING TAX--LOCOMOTIVE  
2 ENGINE FUEL.--The value of fuel to be loaded or used by a  
3 common carrier in a locomotive engine may be deducted in  
4 computing the compensating tax due. For the purposes of this  
5 section, "locomotive engine" means a wheeled vehicle consisting  
6 of a self-propelled engine that is used to draw trains along  
7 railway tracks."

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

10           "[NEW MATERIAL] PURPOSE AND REQUIREMENTS OF LOCOMOTIVE  
11 FUEL DEDUCTION.--

12            A. The purpose of the deduction on fuel loaded or  
13 used by a common carrier in a locomotive engine from gross  
14 receipts and from compensating tax is to encourage the  
15 construction, maintenance and operation of railroad locomotive  
16 refueling facilities and related activities in New Mexico.

17            B. The economic development department shall keep a  
18 record of temporary and permanent jobs from all railroad  
19 activity at each new railroad locomotive refueling facility  
20 that claims a deduction on fuel loaded or used by a common  
21 carrier in a locomotive engine from gross receipts or from  
22 compensating tax. The economic development department and the  
23 taxation and revenue department shall measure the amount of  
24 state revenue that is attributable to all railroad activity  
25 occurring at each new locomotive refueling facility.

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1           C. The economic development department and the  
2 taxation and revenue department shall compile an annual report  
3 with the number of taxpayers who claim the deduction on fuel  
4 loaded or used by a common carrier in a locomotive engine from  
5 gross receipts and from compensating tax, the number of jobs  
6 created as a result of that deduction, the amount of that  
7 deduction approved, the net revenue to the state as a result of  
8 that deduction and any other information required by the  
9 legislature to aid in evaluating the effectiveness of that  
10 deduction. A taxpayer who claims a deduction on fuel loaded or  
11 used by a common carrier in a locomotive engine from gross  
12 receipts or from compensating tax shall provide the economic  
13 development department and the taxation and revenue department  
14 with the information required to compile that report. The  
15 economic development department and the taxation and revenue  
16 department shall present that report before the legislative  
17 interim revenue stabilization and tax policy committee and the  
18 legislative finance committee by November of each year.

19 Notwithstanding any other section of law to the contrary, the  
20 economic development department and the taxation and revenue  
21 department may disclose the number of applicants for the  
22 deduction on fuel loaded or used by a common carrier in a  
23 locomotive engine from gross receipts and from compensating  
24 tax, the amount of the deduction approved, the number of  
25 employees of the taxpayer and any other information required by

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1 the legislature or the taxation and revenue department to aid  
2 in evaluating the effectiveness of that deduction.

3 D. An appropriate legislative committee shall  
4 review the effectiveness of the deduction pursuant to  
5 Subsection I of Section 7-16A-10 NMSA 1978 every six years  
6 beginning in 2019."

7 SECTION 4. CONTINGENT EFFECTIVE DATE--NOTIFICATION.--The  
8 effective date of the provisions of this act is July 1, 2013,  
9 provided that prior to July 1, 2012, the economic development  
10 department certifies to the taxation and revenue department  
11 that construction of a railroad locomotive refueling facility  
12 project in Dona Ana county has commenced, including land  
13 acquisition, acquisition of all necessary permits and  
14 commencement of actual construction. The taxation and revenue  
15 department shall notify the New Mexico compilation commission  
16 and the director of the legislative council service prior to  
17 July 1, 2013 as to whether the certification from the economic  
18 development department has been received.