

1 SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE SUBSTITUTE FOR
2 SENATE BILL 639

3 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

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10 AN ACT

11 RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
12 REDUCING CORPORATE INCOME TAX RATES; REQUIRING COMBINED
13 REPORTING FOR CERTAIN UNITARY CORPORATIONS; PHASING IN THE USE
14 OF A SINGLE SALES FACTOR BY TAXPAYERS WHOSE PRINCIPAL BUSINESS
15 ACTIVITY IS MANUFACTURING OVER FIVE YEARS; EXCLUDING CERTAIN
16 SALES FROM BEING APPORTIONED AS SALES IN NEW MEXICO; CLARIFYING
17 APPLICATION OF THE HIGH-WAGE JOBS TAX CREDIT; REQUIRING ANNUAL
18 REPORTING ON THE EFFECTIVENESS OF THE HIGH-WAGE JOBS TAX
19 CREDIT; DEFINING "BENEFITS" AND "WAGES"; INCREASING WAGES AND
20 POPULATION TO QUALIFY FOR A HIGH-WAGE JOBS TAX CREDIT;
21 PROVIDING FOR AN ANNUAL MAXIMUM AGGREGATE OF FIFTY MILLION
22 DOLLARS (\$50,000,000) IN HIGH-WAGE JOBS TAX CREDITS; MODIFYING
23 THE PHASE-IN OF A DEDUCTION FROM GROSS RECEIPTS FOR CERTAIN
24 RECEIPTS FROM SALES OF TANGIBLE PERSONAL PROPERTY CONSUMED IN
25 THE MANUFACTURING PROCESS; REPEALING SECTION 7-2-34 NMSA 1978

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1 (BEING LAWS 1999, CHAPTER 205, SECTION 1, AS AMENDED).

2
3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

4 SECTION 1. Section 7-2A-5 NMSA 1978 (being Laws 1981,
5 Chapter 37, Section 38, as amended) is amended to read:

6 "7-2A-5. CORPORATE INCOME TAX RATES.--The corporate
7 income tax imposed on corporations by Section 7-2A-3 NMSA 1978
8 shall be at the rates specified in the following table:

9 If the net income is:	10 The tax shall be:
11 Not over \$500,000	12 [4.8%] <u>4.2%</u> of net 13 income
14 Over \$500,000 but not 15 over \$1,000,000	16 [\$24,000] <u>\$21,000</u> 17 plus [6.4%] <u>4.6%</u> of 18 excess over \$500,000
19 Over \$1,000,000	20 [\$56,000] <u>\$44,000</u> 21 plus [7.6%] <u>5.0%</u> of 22 excess over 23 \$1,000,000."

24 SECTION 2. Section 7-2A-8.3 NMSA 1978 (being Laws 1983,
25 Chapter 213, Section 12, as amended by Laws 1993, Chapter 307,
Section 4 and also by Laws 1993, Chapter 309, Section 2) is
amended to read:

"7-2A-8.3. COMBINED RETURNS.--

A. A unitary corporation that is subject to taxation
under the Corporate Income and Franchise Tax Act and that has

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1 not previously filed a combined return pursuant to this section
2 or a consolidated return pursuant to Section 7-2A-8.4 NMSA 1978
3 may elect to file a combined return with other unitary
4 corporations as though the entire combined net income were that
5 of one corporation; provided, however, that a unitary
6 corporation that provides retail sales of goods in a facility
7 of more than thirty thousand square feet under one roof in New
8 Mexico shall file a combined return with other unitary
9 corporations as though the entire combined net income were that
10 of one corporation. The return filed under this method of
11 reporting shall include the net income of all the unitary
12 corporations. Transactions among the unitary corporations may
13 be eliminated by applying the appropriate rules for reporting
14 income for a consolidated federal income tax return. Any
15 corporation that has filed an income tax return with New Mexico
16 pursuant to Section 7-2A-8.4 NMSA 1978 shall not file pursuant
17 to this section unless the secretary gives prior permission to
18 file on a combined return basis.

19 B. Once corporations have reported net income through
20 a combined return for any taxable year, they shall file
21 combined returns for subsequent taxable years, so long as they
22 remain unitary corporations, unless the corporations elect to
23 file pursuant to Section 7-2A-8.4 NMSA 1978 or unless the
24 secretary grants prior permission for one or more of the
25 corporations to file individually.

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1 C. For taxable years beginning on or after January 1,
2 1993, no unitary corporation once included in a combined return
3 may elect, or be granted permission by the secretary, for any
4 subsequent taxable year to separately account pursuant to
5 Paragraph (4) of Subsection A of Section 7-2A-8 NMSA 1978."

6 SECTION 3. Section 7-4-10 NMSA 1978 (being Laws 1993,
7 Chapter 153, Section 1, as amended) is amended to read:

8 "7-4-10. APPORTIONMENT OF BUSINESS INCOME.--

9 A. Except as provided in Subsection B of this
10 section, all business income shall be apportioned to this state
11 by multiplying the income by a fraction, the numerator of which
12 is the property factor plus the payroll factor plus the sales
13 factor and the denominator of which is three.

14 ~~[B. For taxable years beginning prior to January 1,~~
15 ~~2020, a taxpayer whose principal business activity is~~
16 ~~manufacturing may elect to have business income apportioned to~~
17 ~~this state by multiplying the income by a fraction, the~~
18 ~~numerator of which is the property factor plus the payroll~~
19 ~~factor plus twice the sales factor and the denominator of which~~
20 ~~is four. To elect the method of apportionment provided by this~~
21 ~~subsection, the taxpayer shall notify the department of the~~
22 ~~election, in writing, no later than the date on which the~~
23 ~~taxpayer files the return for the first taxable year to which~~
24 ~~the election will apply. The election will apply to that~~
25 ~~taxable year and to each taxable year thereafter until the~~

1 ~~taxpayer notifies the department, in writing, that the election~~
 2 ~~is terminated, except that the taxpayer shall not terminate the~~
 3 ~~election until the method of apportioning business income~~
 4 ~~provided by this subsection has been used by the taxpayer for~~
 5 ~~at least three consecutive taxable years, including a total of~~
 6 ~~at least thirty-six calendar months. Notwithstanding any~~
 7 ~~provisions of this subsection to the contrary, the taxpayer~~
 8 ~~shall use the method of apportionment provided by Subsection A~~
 9 ~~of this section for the taxable year unless:~~

10 ~~(1) the taxpayer's corporate income tax~~
 11 ~~liability for the taxable year, computed by the same method of~~
 12 ~~apportionment used in the preceding taxable year, exceeds the~~
 13 ~~corporate income tax liability for the taxpayer's immediately~~
 14 ~~preceding taxable year; or~~

15 ~~(2) the sum of the taxpayer's payroll factor and~~
 16 ~~property factor for the taxable year exceeds the sum of the~~
 17 ~~taxpayer's payroll factor and property factor for the~~
 18 ~~taxpayer's base year. For purposes of this paragraph, "base~~
 19 ~~year" means the taxpayer's first taxable year beginning on or~~
 20 ~~after January 1, 1991.]~~

21 B. A taxpayer that is a business engaged in
 22 manufacturing may elect to have business income apportioned to
 23 this state:

24 (1) in the taxable year beginning on or after
 25 January 1, 2014 and prior to January 1, 2015, by multiplying

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1 the income by a fraction, the numerator of which is twice the
2 sales factor plus the property factor plus the payroll factor
3 and the denominator of which is four;

4 (2) in the taxable year beginning on or after
5 January 1, 2015 and prior to January 1, 2016, by multiplying
6 the income by a fraction, the numerator of which is three
7 multiplied by the sales factor plus the property factor plus
8 the payroll factor and the denominator of which is five;

9 (3) in the taxable year beginning on or after
10 January 1, 2016 and prior to January 1, 2017, by multiplying
11 the income by a fraction, the numerator of which is seven
12 multiplied by the sales factor plus one and one-half multiplied
13 by the property factor plus one and one-half multiplied by the
14 payroll factor and the denominator of which is ten;

15 (4) in the taxable year beginning on or after
16 January 1, 2017 and prior to January 1, 2018, by multiplying
17 the income by a fraction, the numerator of which is eight
18 multiplied by the sales factor plus the property factor plus
19 the payroll factor and the denominator of which is ten; and

20 (5) in taxable years beginning on or after
21 January 1, 2018, by multiplying the income by a fraction, the
22 numerator of which is the total sales of the taxpayer in New
23 Mexico during the taxable year and the denominator of which is
24 the total sales of the taxpayer from any location within or
25 outside of the state during the taxable year.

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1 C. To elect the method of apportionment provided by
 2 Subsection B of this section, the taxpayer shall notify the
 3 department of the election, in writing, no later than the date
 4 on which the taxpayer files the return for the first taxable
 5 year to which the election will apply. The election shall
 6 apply to that taxable year and to each taxable year thereafter
 7 until the taxpayer notifies the department, in writing, that
 8 the election is terminated; provided that the taxpayer shall
 9 not terminate the election until the method of apportioning
 10 business income provided by Subsection B of this section has
 11 been used by the taxpayer for at least three consecutive
 12 taxable years, including a total of at least thirty-six
 13 calendar months.

14 ~~[C.]~~ D. For purposes of this section, "business
 15 engaged in manufacturing" means ~~[combining or processing~~
 16 ~~components or materials to increase their value for sale in the~~
 17 ~~ordinary course of business, but does not include:~~

18 ~~(1) construction;~~

19 ~~(2) farming;~~

20 ~~(3) power generation, except for electricity~~
 21 ~~generation at a facility other than one for which both location~~
 22 ~~approval and a certificate of convenience and necessity are~~
 23 ~~required prior to commencing construction or operation of the~~
 24 ~~facility, pursuant to the Public Utility Act; or~~

25 ~~(4) processing natural resources, including~~

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1 ~~hydrocarbons]~~ a business classified within the manufacturing
2 sector as described in the official 2012 United States North
3 American industry classification system manual."

4 SECTION 4. Section 7-4-17 NMSA 1978 (being Laws 1965,
5 Chapter 203, Section 17) is amended to read:

6 "7-4-17. DETERMINATION OF SALES IN THIS STATE OF TANGIBLE
7 PERSONAL PROPERTY FOR INCLUSION IN SALES FACTOR.--Sales of
8 tangible personal property are in this state if:

9 A. the property is delivered or shipped to a
10 purchaser other than the United States government within this
11 state regardless of the f. o. b. point or other conditions of
12 the sale; or

13 B. the property is shipped from an office, store,
14 warehouse, factory or other place of storage in this state and:

15 (1) the purchaser is the United States
16 government; or

17 (2) the taxpayer:

18 (a) is not taxable in the state of the
19 purchaser; and

20 (b) did not make an election for
21 apportionment of business income pursuant to Subsection B of
22 Section 7-4-10 NMSA 1978."

23 SECTION 5. Section 7-9-46 NMSA 1978 (being Laws 1969,
24 Chapter 144, Section 36, as amended) is amended to read:

25 "7-9-46. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL
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1 GROSS RECEIPTS--SALES TO MANUFACTURERS.--

2 A. Receipts from selling tangible personal property
3 may be deducted from gross receipts or from governmental gross
4 receipts if the sale is made to a person engaged in the
5 business of manufacturing who delivers a nontaxable transaction
6 certificate to the seller. The buyer delivering the nontaxable
7 transaction certificate must incorporate the tangible personal
8 property as an ingredient or component part of the product that
9 the buyer is in the business of manufacturing.

10 B. Receipts from selling tangible personal property
11 that is used in such a way that it is consumed in the
12 manufacturing process of a product, provided that the tangible
13 personal property is not a tool or equipment used to create the
14 manufactured product, to a person engaged in the business of
15 manufacturing that product and who delivers a nontaxable
16 transaction certificate to the seller may be deducted in the
17 following percentages from gross receipts or from governmental
18 gross receipts:

19 (1) twenty percent of receipts received prior to
20 January 1, 2014;

21 (2) forty percent of receipts received in
22 calendar year 2014;

23 [~~(3) sixty percent of receipts received in~~
24 ~~calendar year 2015;~~

25 ~~(4) eighty percent of receipts received in~~

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1 ~~calendar year 2016; and~~

2 ~~(5) one hundred percent of receipts received on~~
3 ~~or after January 1, 2017] and~~

4 (3) fifty percent of receipts received on or
5 after January 1, 2015.

6 C. The purpose of the deductions provided in this
7 section is to encourage manufacturing businesses to locate in
8 New Mexico and to reduce the tax burden, including reducing
9 pyramiding, on the tangible personal property that is consumed
10 in the manufacturing process and that is purchased by
11 manufacturing businesses in New Mexico.

12 D. The department shall annually report to the
13 revenue stabilization and tax policy committee the aggregate
14 amount of deductions taken pursuant to this section, the number
15 of taxpayers claiming each of the deductions and any other
16 information that is necessary to determine that the deductions
17 are performing the purposes for which they are enacted.

18 E. A taxpayer deducting gross receipts pursuant to
19 this section shall report the amount deducted separately for
20 each deduction provided in this section and attribute the
21 amount of the deduction to the appropriate authorization
22 provided in this section in a manner required by the department
23 that facilitates the evaluation by the legislature of the
24 benefit to the state of these deductions."

25 **SECTION 6.** Section 7-9G-1 NMSA 1978 (being Laws 2004,

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1 Chapter 15, Section 1, as amended) is amended to read:

2 "7-9G-1. HIGH-WAGE JOBS TAX CREDIT--QUALIFYING
3 HIGH-WAGE JOBS.--

4 A. A taxpayer who is an eligible employer may apply
5 for, and the taxation and revenue department may allow, a tax
6 credit for each new high-wage economic-based job. The credit
7 provided in this section may be referred to as the "high-wage
8 jobs tax credit".

9 B. The high-wage jobs tax credit may be claimed and
10 allowed in an amount equal to ten percent of the wages and
11 benefits distributed to an eligible employee in a new high-wage
12 economic-based job, but shall not exceed twelve thousand
13 dollars (\$12,000).

14 C. The high-wage jobs tax credit may be claimed by an
15 eligible employer for each new high-wage economic-based job
16 performed for the year in which the new high-wage economic-
17 based job is created and for the three following qualifying
18 periods. A taxpayer shall apply for approval for the credit
19 within one year following the end of the calendar year in which
20 the qualifying period closes.

21 D. A new high-wage economic-based job shall not be
22 eligible for a credit pursuant to this section unless the
23 eligible employer's total number of employees with new high-
24 wage economic-based jobs on the last day of the qualifying
25 period at the location at which the job is performed or based

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1 is at least one more than the number on the day prior to the
2 date the job was created.

3 E. A new high-wage economic-based job shall not be
4 eligible for a credit pursuant to this section if:

5 (1) the new high-wage economic-based job is
6 created due to a business merger or acquisition or other change
7 in business organization;

8 (2) the eligible employee was terminated from
9 employment in New Mexico by another employer involved in the
10 business merger or acquisition or other change in business
11 organization with the taxpayer;

12 (3) the new high-wage economic-based job is
13 performed by:

14 (a) the person who performed the job or its
15 functional equivalent prior to the business merger or
16 acquisition or other change in business organization; or

17 (b) a person replacing the person who
18 performed the job or its functional equivalent prior to a
19 business merger or acquisition or other change in business
20 organization; and

21 (4) the new high-wage economic-based job or its
22 functional equivalent previously qualified for the high-wage
23 jobs tax credit but the employer, prior to a business merger or
24 acquisition or other change in business organization, was not
25 approved for the credit.

1 F. Notwithstanding the provisions of Subsection E of
2 this section, a new high-wage economic-based job that was
3 created by another employer and for which an application for
4 the high-wage jobs tax credit was received and is under review
5 by the taxation and revenue department prior to the time of the
6 business merger or acquisition or other change in business
7 organization shall remain eligible for the high-wage jobs tax
8 credit for the balance of the qualifying periods. The new
9 employer that results from a business merger or acquisition or
10 other change in business organization may only claim the high-
11 wage jobs tax credit for the balance of the qualifying periods
12 for which the qualifying job is otherwise eligible.

13 G. A job shall not be eligible for a credit pursuant
14 to this section if the job is created due to an eligible
15 employer entering into a contract or becoming a subcontractor
16 to a contract with a governmental entity that replaces one or
17 more entities performing functionally equivalent services for
18 the governmental entity unless the job is a new high-wage
19 economic-based job that was not being performed by an employee
20 of the replaced entity.

21 [E.] H. With respect to each new high-wage economic-
22 based job for which an eligible employer seeks the high-wage
23 jobs tax credit, the employer shall certify:

24 (1) the amount of wages and benefits paid to
25 each eligible employee in a new high-wage economic-based job

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1 during each qualifying period;

2 (2) the number of weeks the position was
3 occupied during the qualifying period;

4 (3) ~~[whether the new high-wage economic-based~~
5 ~~job was in a municipality with a population of forty thousand~~
6 ~~or more or with a population of less than forty thousand]~~ the
7 population of the municipality, according to the most recent
8 federal decennial census, where the new high-wage economic-
9 based job was located and whether the job was in the
10 unincorporated area of a county; and

11 (4) the total number of employees employed by
12 the employer at the job location on the day prior to the
13 qualifying period and on the last day of the qualifying period.

14 ~~[F.]~~ I. To receive a high-wage jobs tax credit with
15 respect to any qualifying period, an eligible employer shall
16 apply to the taxation and revenue department on forms and in
17 the manner prescribed by the department. The application shall
18 include a certification made pursuant to Subsection ~~[E]~~ H of
19 this section. Applications for the high-wage jobs tax credit
20 shall be considered in the order received by the taxation and
21 revenue department.

22 J. The taxation and revenue department may allow a
23 maximum aggregate in a calendar year of fifty million dollars
24 (\$50,000,000) in high-wage jobs tax credits provided by this
25 section. A taxpayer who submits a claim for a high-wage jobs

1 tax credit who is unable to receive the tax credit because the
2 claims for the year exceed the aggregate limitation in this
3 subsection shall be placed for the subsequent calendar year at
4 the front of a queue of high-wage jobs tax credit claimants
5 submitting claims in the subsequent year in the order of the
6 date on which the department received the application.

7 ~~[G.]~~ K. The credit provided in this section may be
8 deducted from the modified combined tax liability of a
9 taxpayer. If the credit exceeds the modified combined tax
10 liability of the taxpayer, the excess shall be refunded to the
11 taxpayer.

12 L. A taxpayer allowed a high-wage jobs tax credit
13 shall report annually by June 30 to the taxation and revenue
14 department on the activities of the taxpayer in the preceding
15 calendar year on a form developed by the department.

16 Acceptance of a taxpayer of a high-wage jobs tax credit
17 pursuant to this section is authorization by the taxpayer
18 receiving the tax credit for the department to reveal
19 information to the legislative finance committee and the
20 interim revenue stabilization and tax policy committee
21 necessary to analyze the effectiveness of the high-wage jobs
22 tax credit pursuant to this section.

23 M. The taxation and revenue department shall compile
24 an annual report that includes the number of taxpayers approved
25 by the department to receive a high-wage jobs tax credit, the

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1 number of applicants for the high-wage jobs tax credit, the
2 amount of each credit approved, the number of eligible
3 employees hired, the cost of the tax credit to the state and
4 any other information required by the legislature or the
5 taxation and revenue department to aid in evaluating the
6 effectiveness of the high-wage jobs tax credit. The report
7 shall be presented to the legislative finance committee and the
8 interim revenue stabilization and tax policy committee.

9 [H.] N. The economic development department shall
10 report to the appropriate interim legislative committee before
11 November 1 of each year the [~~cost of this tax credit to the~~
12 ~~state and its~~] impact of the tax credit on company recruitment
13 and job creation.

14 [F.] O. As used in this section:

15 [~~(1) "benefits" means any employee benefit plan~~
16 ~~as defined in Title 1, Section 3 of the federal Employee~~
17 ~~Retirement Income Security Act of 1974, 29 U.S.C. 1002;~~]

18 (1) "benefits" means all remuneration for work
19 performed that is provided to an employee in whole or in part
20 by the employer, other than wages, including insurance
21 programs, health care, medical, dental and vision plans, life
22 insurance, employer contributions to pensions, such as a
23 401(k), and employer-provided services, such as child care,
24 offered by an employer to the employee;

25 (2) "eligible employee" means an individual who

1 is employed in New Mexico by an eligible employer and who is a
2 resident of New Mexico; "eligible employee" does not include an
3 individual who:

4 (a) bears any of the relationships described
5 in Paragraphs (1) through (8) of 26 U.S.C. Section 152(a) to
6 the employer or, if the employer is a corporation, to an
7 individual who owns, directly or indirectly, more than fifty
8 percent in value of the outstanding stock of the corporation
9 or, if the employer is an entity other than a corporation, to
10 an individual who owns, directly or indirectly, more than fifty
11 percent of the capital and profits interest in the entity;

12 (b) if the employer is an estate or trust,
13 is a grantor, beneficiary or fiduciary of the estate or trust
14 or is an individual who bears any of the relationships
15 described in Paragraphs (1) through (8) of 26 U.S.C. Section
16 152(a) to a grantor, beneficiary or fiduciary of the estate or
17 trust;

18 (c) is a dependent, as that term is
19 described in 26 U.S.C. Section 152(a)(9), of the employer or,
20 if the taxpayer is a corporation, of an individual who owns,
21 directly or indirectly, more than fifty percent in value of the
22 outstanding stock of the corporation or, if the employer is an
23 entity other than a corporation, of an individual who owns,
24 directly or indirectly, more than fifty percent of the capital
25 and profits interest in the entity or, if the employer is an

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1 estate or trust, of a grantor, beneficiary or fiduciary of the
2 estate or trust; or

3 (d) is working or has worked as an employee
4 or as an independent contractor for an entity that directly or
5 indirectly owns stock in a corporation of the eligible employer
6 or other interest of the eligible employer that represents
7 fifty percent or more of the total voting power of that entity
8 or has a value equal to fifty percent or more of the capital
9 and profits interest in the entity;

10 (3) "eligible employer" means an employer that
11 ~~[(a) made more than fifty percent of its~~
12 ~~sales to persons outside New Mexico during the most recent~~
13 ~~twelve months of the employer's modified combined tax liability~~
14 ~~reporting periods ending prior to claiming a jobs tax credit;~~
15 ~~or~~

16 ~~(b)] is certified by the economic development~~
17 ~~department to be~~ eligible for development training program
18 assistance pursuant to Section 21-19-7 NMSA 1978;

19 (4) "modified combined tax liability" means the
20 total liability for the reporting period for the gross receipts
21 tax imposed by Section 7-9-4 NMSA 1978 together with any tax
22 collected at the same time and in the same manner as the gross
23 receipts tax, such as the compensating tax, the withholding
24 tax, the interstate telecommunications gross receipts tax, the
25 surcharges imposed by Section 63-9D-5 NMSA 1978 and the

1 surcharge imposed by Section 63-9F-11 NMSA 1978, minus the
 2 amount of any credit other than the high-wage jobs tax credit
 3 applied against any or all of these taxes or surcharges; but
 4 "modified combined tax liability" excludes all amounts
 5 collected with respect to local option gross receipts taxes;

6 (5) "new high-wage economic-based job" means a
 7 new job created in New Mexico by an eligible employer on or
 8 after July 1, 2004 and prior to July 1, 2015 that is occupied
 9 for at least forty-eight weeks of a qualifying period by an
 10 eligible employee who:

11 (a) for a new high-wage economic-based job
 12 created prior to January 1, 2013 is paid wages calculated for
 13 the qualifying period to be at least: [~~(a)~~] 1) forty thousand
 14 dollars (\$40,000) if the job is performed or based in a
 15 municipality with a population of forty thousand or more
 16 according to the most recent federal decennial census; and
 17 [~~(b)~~] 2) twenty-eight thousand dollars (\$28,000) if the job is
 18 performed or based in a municipality with a population of less
 19 than forty thousand according to the most recent federal
 20 decennial census or in the unincorporated area of a county; and

21 (b) for a new high-wage economic-based job
 22 created on or after January 1, 2013 is paid wages calculated
 23 for the qualifying period to be at least: 1) sixty-five
 24 thousand dollars (\$65,000) if the job is performed or based in
 25 a municipality with a population of sixty thousand or more

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1 according to the most recent federal decennial census; and 2)
2 forty thousand dollars (\$40,000) if the job is performed or
3 based in a municipality with a population of less than sixty
4 thousand according to the most recent federal decennial census
5 or in the unincorporated area of a county;

6 (6) "qualifying period" means the period of
7 twelve months beginning on the day an eligible employee begins
8 working in a new high-wage economic-based job or the period of
9 twelve months beginning on the anniversary of the day an
10 eligible employee began working in a new high-wage economic-
11 based job; and

12 (7) "wages" means [~~wages as defined in~~
13 ~~Paragraphs (1), (2) and (3) of 26 U.S.C. Section 51(c)] all
14 gross wages and other compensation, before any payroll
15 deductions, paid for services rendered by an individual,
16 including commissions, cost-of-living allowances, overtime
17 pay, hazardous-duty pay, incentive pay, on-call pay, shift
18 differentials and bonuses, but "wages" does not include
19 benefits."~~

20 SECTION 7. DELAYED REPEAL.--Section 7-2-34 NMSA 1978
21 (being Laws 1999, Chapter 205, Section 1, as amended) is
22 repealed effective January 1, 2014.

23 SECTION 8. APPLICABILITY.--

24 A. The provisions of Sections 1 through 4 and 7 of
25 this act apply to taxable years beginning on or after January

1 1, 2014.

2 B. The provisions of Section 6 of this act apply to
3 taxable years beginning on or after January 1, 2013.

4 SECTION 9. EFFECTIVE DATE.--

5 A. The effective date of the provisions of Sections
6 1 through 5 of this act is January 1, 2014.

7 B. The effective date of the provisions of Section
8 6 of this act is July 1, 2013.

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underscoring material = new
~~[bracketed material]~~ = delete