HOUSE BILL 349

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; IMPOSING A HOSPITAL GROSS RECEIPTS TAX
AND A HOSPITAL GOVERNMENTAL GROSS RECEIPTS TAX ON CERTAIN
HOSPITALS FOR ONE YEAR; SUSPENDING CERTAIN EXEMPTIONS PURSUANT
TO THE GROSS RECEIPTS AND COMPENSATING TAX ACT FOR CERTAIN
HOSPITALS FOR ONE YEAR.

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

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

"[NEW MATERIAL] IMPOSITION AND RATE OF TAX--DENOMINATION
AS "HOSPITAL GROSS RECEIPTS TAX" AND "HOSPITAL GOVERNMENTAL
GROSS RECEIPTS TAX".--

A. From July 1, 2014 and prior to July 1, 2015, for
the privilege of engaging in business, an additional excise tax
of seventy-five ten-thousandths percent of gross receipts is

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1　imposed on an investor-owned or -operated acute care general

2　hospital licensed by the department of health but is not

3　imposed on any hospital in a class A county that has a hospital

4　that is operated and maintained pursuant to a lease or

5　operating agreement with a state educational institution named

6　in Article 12, Section 11 of the constitution of New Mexico.

7　The tax imposed by this subsection shall be referred to as the

8　"hospital gross receipts tax".

9　　　　　B.　From July 1, 2014 and prior to July 1, 2015, for

10　the privilege of engaging in certain activities by governments,

11　an additional excise tax of seventy-five ten-thousandths

12　percent of gross receipts is imposed on every institution,

13　instrumentality or political subdivision of the state that is

14　an acute care general hospital licensed by the department of

15　health but is not imposed on any hospital in a class A county

16　that has a hospital that is operated and maintained pursuant to

17　a lease or operating agreement with a state educational

18　institution named in Article 12, Section 11 of the constitution

19　of New Mexico.　The tax imposed by this subsection shall be

20　referred to as the "hospital governmental gross receipts tax"."

21　　　　**SECTION 2.**　Section 7-9-13 NMSA 1978 (being Laws 1969,

22　Chapter 144, Section 6, as amended) is amended to read:

23　　　　"7-9-13.　EXEMPTION--GROSS RECEIPTS TAX--GOVERNMENTAL

24　AGENCIES.--

25　　　　　A.　Except as otherwise provided in this section,

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1   exempted from the gross receipts tax are receipts of:

2   (1)   the United States or any agency,

3   department or instrumentality thereof;

4   (2)   the state of New Mexico or any political

5   subdivision thereof;

6   (3)   any Indian nation, tribe or pueblo from

7   activities or transactions occurring on its sovereign

8   territory; or

9   (4)   any foreign nation or agency,

10   instrumentality or political subdivision thereof, but only when

11   required by a treaty in force to which the United States is a

12   party.

13   B.   Receipts from the sale of gas or electricity by

14   a utility owned or operated by a county, municipality or other

15   political subdivision of a state are not exempted from the

16   gross receipts tax.

17   C.   Receipts from the operation of a cable

18   television system owned or operated by a municipality are not

19   exempted from the gross receipts tax.

20   D.   From July 1, 2014 and prior to July 1, 2015,

21   receipts from a hospital are not exempt from the gross receipts

22   tax.

23   E.   As used in this section, "hospital" means an

24   acute care general hospital licensed by the department of

25   health but does not include hospitals in a class A county that

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1 has a hospital that is operated and maintained pursuant to a

2 lease or operating agreement with a state educational

3 institution named in Article 12, Section 11 of the constitution

4 of New Mexico."

5 **SECTION 3.** Section 7-9-29 NMSA 1978 (being Laws 1970,

6 Chapter 12, Section 3, as amended) is amended to read:

7 "7-9-29. EXEMPTION--GROSS RECEIPTS TAX--CERTAIN

8 ORGANIZATIONS.--

9 A. Except as otherwise provided in this section,

10 exempted from the gross receipts tax are the receipts of

11 organizations that demonstrate to the department that they have

12 been granted exemption from the federal income tax by the

13 United States commissioner of internal revenue as organizations

14 described in Section 501(c)(3) of the United States Internal

15 Revenue Code of 1954, as amended or renumbered.

16 B. Exempted from the gross receipts tax are the

17 receipts from carrying on chamber of commerce, visitor bureau

18 and convention bureau functions of organizations that

19 demonstrate to the department that they have been granted

20 exemption from the federal income tax by the United States

21 commissioner of internal revenue as organizations described in

22 Section 501(c)(6) of the United States Internal Revenue Code of

23 1954, as amended or renumbered.

24 C. This section does not apply to receipts derived

25 from an unrelated trade or business as defined in Section 513

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of the United States Internal Revenue Code of 1954, as amended or renumbered.

D. From July 1, 2014 and prior to July 1, 2015, receipts from a hospital are not exempt from the gross receipts tax.

E. As used in this section, "hospital" means an acute care general hospital licensed by the department of health but does not include hospitals in a class A county that has a hospital that is operated and maintained pursuant to a lease or operating agreement with a state educational institution named in Article 12, Section 11 of the constitution of New Mexico."

SECTION 4. DELAYED REPEAL.--Section 1 of this act is repealed effective July 1, 2015.

SECTION 5. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2014.

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