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SENATE BILL 26

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

INTRODUCED BY

Carlos R. Cisneros

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS
FOR SELLING AIRCRAFT PARTS OR MAINTENANCE SERVICES.

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

SECTION 1. Section 7-9-62 NMSA 1978 (being Laws 1969,
Chapter 144, Section 52, as amended) is amended to read:

"7-9-62. DEDUCTION--GROSS RECEIPTS TAX--AGRICULTURAL
IMPLEMENTS--AIRCRAFT MANUFACTURERS--VEHICLES THAT ARE NOT
REQUIRED TO BE REGISTERED--AIRCRAFT PARTS AND MAINTENANCE
SERVICES---

A. Except for receipts deductible under Subsection
B of this section, fifty percent of the receipts from selling
agricultural implements, farm tractors, aircraft or vehicles
that are not required to be registered under the Motor Vehicle
Code may be deducted from gross receipts; provided that, with

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1 respect to agricultural implements, the sale is made to a
2 person who states in writing that the person is regularly
3 engaged in the business of farming or ranching. Any deduction
4 allowed under Section 7-9-71 NMSA 1978 must be taken before the
5 deduction allowed by this subsection is computed.

6 B. Receipts of an aircraft manufacturer or
7 affiliate from selling aircraft [~~or aircraft parts or from~~
8 ~~selling services performed on aircraft or aircraft components~~]
9 or from selling aircraft flight support, pilot training or
10 maintenance training services may be deducted from gross
11 receipts. Any deduction allowed under Section 7-9-71 NMSA 1978
12 must be taken before the deduction allowed by this subsection
13 is computed.

14 C. Receipts from selling aircraft parts or
15 maintenance services for aircraft or aircraft parts may be
16 deducted from gross receipts. Any deduction allowed under
17 Section 7-9-71 NMSA 1978 must be taken before the deduction
18 allowed by this subsection is computed.

19 [~~G.~~] D. As used in this section:

20 (1) "affiliate" means a business entity that
21 directly or indirectly through one or more intermediaries
22 controls, is controlled by or is under common control with the
23 aircraft manufacturer;

24 (2) "agricultural implement" means a tool,
25 utensil or instrument that is depreciable for federal income

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1 tax purposes and that is:

2 (a) designed to irrigate agricultural
3 crops above ground or below ground at the place where the crop
4 is grown; or

5 (b) designed primarily for use with a
6 source of motive power, such as a tractor, in planting,
7 growing, cultivating, harvesting or processing agricultural
8 crops at the place where the crop is grown; in raising poultry
9 or livestock; or in obtaining or processing food or fiber, such
10 as eggs, milk, wool or mohair, from living poultry or livestock
11 at the place where the poultry or livestock are kept for this
12 purpose; [~~and~~

13 ~~(c) depreciable for federal income tax~~
14 ~~purposes;]~~

15 (3) "aircraft manufacturer" means a business
16 entity that in the ordinary course of business designs and
17 builds private or commercial aircraft certified by the federal
18 aviation administration;

19 (4) "business entity" means a corporation,
20 limited liability company, partnership, limited partnership,
21 limited liability partnership or real estate investment trust,
22 but does not mean an individual or a joint venture;

23 (5) "control" means equity ownership in a
24 business entity that:

25 (a) represents at least fifty percent of

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1 the total voting power of that business entity; and

2 (b) has a value equal to at least fifty
3 percent of the total equity of that business entity; and

4 (6) "flight support" means providing
5 navigation data, charts, weather information, online
6 maintenance records and other aircraft or flight-related
7 information and the software needed to access the information."

8 SECTION 2. EFFECTIVE DATE.--The effective date of the
9 provisions of this act is July 1, 2014.