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HOUSE BILL 18

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Bill McCamley

AN ACT

RELATING TO TAXATION; REQUIRING CERTAIN GROSS RECEIPTS AND
COMPENSATING TAX DEDUCTIONS AND EXEMPTIONS TO BE SEPARATELY
STATED AND ITEMIZED; REQUIRING THE SECRETARY OF TAXATION AND
REVENUE TO PROMULGATE RULES FOR SEPARATELY STATING AND
ITEMIZING GROSS RECEIPTS AND COMPENSATING TAX DEDUCTIONS AND
EXEMPTIONS; PROVIDING A SUNSET FOR CERTAIN SECTIONS OF THE
GROSS RECEIPTS AND COMPENSATING TAX ACT; MAKING AN
APPROPRIATION.

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

SECTION 1. Section 7-9-5 NMSA 1978 (being Laws 1966,
Chapter 47, Section 5, as amended) is amended to read:

"7-9-5. PRESUMPTION OF TAXABILITY.--

A. To prevent evasion of the gross receipts tax and
to aid in its administration, it is presumed that all receipts

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1 of a person engaging in business are subject to the gross
2 receipts tax. [~~Any~~]

3 B. Except as provided in Subsections C through E of
4 this section, a person that is exempt from or that may take a
5 deduction against the tax liability imposed pursuant to the
6 Gross Receipts and Compensating Tax Act shall separately state
7 and itemize the exemption or deduction in a manner required by
8 the department. Multiple claims for the same exemption or
9 deduction claimed in the same period may be aggregated.

10 C. Receipts that may be deducted pursuant to the
11 following provisions of the Gross Receipts and Compensating Tax
12 Act shall not be required to be separately stated or itemized:

13 (1) Sections 7-9-47, 7-9-48 and 7-9-49 NMSA
14 1978;

15 (2) Sections 7-9-50, 7-9-51, 7-9-52, 7-9-52.1,
16 7-9-53, 7-9-54, 7-9-54.1, 7-9-55, 7-9-56, 7-9-56.1, 7-9-56.2,
17 7-9-57, 7-9-57.1, 7-9-58 and 7-9-59 NMSA 1978;

18 (3) Sections 7-9-60, 7-9-61.1, 7-9-62,
19 7-9-62.1, 7-9-63, 7-9-64, 7-9-65, 7-9-66, 7-9-66.1, 7-9-67,
20 7-9-68 and 7-9-69 NMSA 1978;

21 (4) Sections 7-9-70, 7-9-71, 7-9-74, 7-9-75,
22 7-9-76, 7-9-76.1, 7-9-76.2, 7-9-77, 7-9-78 and 7-9-78.1 NMSA
23 1978; and

24 (5) Sections 7-9-85, 7-9-87, 7-9-89, 7-9-91,
25 7-9-108 and 7-9-109 NMSA 1978.

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1 D. Receipts that are exempt pursuant to the
2 following provisions of the Gross Receipts and Compensating Tax
3 Act shall not be required to be separately stated or itemized:

4 (1) Sections 7-9-3.3 and 7-9-3.5 NMSA 1978;

5 (2) Sections 7-9-13, 7-9-13.1, 7-9-13.2,
6 7-9-14, 7-9-15, 7-9-16, 7-9-17, 7-9-18, 7-9-18.1 and 7-9-19
7 NMSA 1978;

8 (3) Sections 7-9-22, 7-9-22.1, 7-9-23,
9 7-9-23.1, 7-9-24, 7-9-25, 7-9-26, 7-9-27, 7-9-28 and 7-9-29
10 NMSA 1978;

11 (4) Sections 7-9-31, 7-9-32, 7-9-33, 7-9-34,
12 7-9-35, 7-9-36, 7-9-37, 7-9-38, 7-9-38.1, 7-9-38.2 and 7-9-39
13 NMSA 1978; and

14 (5) Sections 7-9-41, 7-9-41.3 and 7-9-41.4
15 NMSA 1978.

16 E. A person engaged solely in transactions
17 specifically exempt under the provisions of the Gross Receipts
18 and Compensating Tax Act described in Subsection D of this
19 section shall not be required to register or file a return
20 under that act.

21 ~~[B.]~~ F. If receipts from nontaxable charges for
22 mobile telecommunications services are aggregated with and not
23 separately stated from taxable charges for mobile
24 telecommunications services, ~~then~~ the charges for nontaxable
25 mobile telecommunications services shall be subject to gross

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1 receipts tax unless the home service provider can reasonably
2 identify nontaxable charges in its books and records that are
3 kept in the regular course of business. For the purposes of
4 this subsection, "charges for mobile telecommunications
5 services", "home service provider" and "mobile
6 telecommunications services" have the meanings given in the
7 federal Mobile Telecommunications Sourcing Act.

8 G. The secretary shall promulgate rules to
9 implement the provisions of this section."

10 SECTION 2. Section 7-9-13.3 NMSA 1978 (being Laws 2001,
11 Chapter 231, Section 12) is amended to read:

12 "7-9-13.3. EXEMPTION--GROSS RECEIPTS TAX AND GOVERNMENTAL
13 GROSS RECEIPTS TAX--STADIUM SURCHARGE.--~~[Exempted from the~~
14 ~~gross receipts tax and from the governmental gross receipts tax~~
15 ~~are the]~~ Prior to July 1, 2025, receipts from selling tickets,
16 parking, souvenirs, concessions, programs, advertising,
17 merchandise, corporate suites or boxes, broadcast revenues and
18 all other products, services or activities sold at, related to
19 or occurring at a minor league baseball stadium on which a
20 stadium surcharge is imposed pursuant to the Minor League
21 Baseball Stadium Funding Act are exempt from the gross receipts
22 tax and the governmental gross receipts tax."

23 SECTION 3. Section 7-9-13.4 NMSA 1978 (being Laws 2002,
24 Chapter 20, Section 1) is amended to read:

25 "7-9-13.4. EXEMPTION--GROSS RECEIPTS TAX--SALE OF

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1 TEXTBOOKS FROM CERTAIN BOOKSTORES TO ENROLLED STUDENTS.--
2 [~~Exempted from the gross receipts tax are the~~] Prior to July 1,
3 2025, receipts from the sale of textbooks and other materials
4 that are required for courses at a public post-secondary
5 educational institution if the sale is by a bookstore located
6 on the campus of the institution and operated pursuant to a
7 contractual agreement with that institution and the sale is to
8 a student enrolled at the institution who displays a valid
9 student identification card are exempt from the gross receipts
10 tax."

11 SECTION 4. Section 7-9-13.5 NMSA 1978 (being Laws 2005,
12 Chapter 351, Section 2) is amended to read:

13 "7-9-13.5. EXEMPTION--GROSS RECEIPTS TAX AND GOVERNMENTAL
14 GROSS RECEIPTS TAX--EVENT CENTER SURCHARGE.--~~[Exempted from the~~
15 ~~gross receipts tax and from the governmental gross receipts tax~~
16 ~~are the~~] Prior to July 1, 2025, receipts from selling tickets,
17 parking, souvenirs, concessions, programs, advertising,
18 merchandise, corporate suites or boxes, broadcast revenues and
19 all other products or services sold at or related to a
20 municipal event center or related to activities occurring at
21 the event center on which an event center surcharge is imposed
22 pursuant to the Municipal Event Center Funding Act are exempt
23 from the gross receipts tax and the governmental gross receipts
24 tax."

25 SECTION 5. Section 7-9-20 NMSA 1978 (being Laws 1988,
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1 Chapter 82, Section 1) is amended to read:

2 "7-9-20. EXEMPTION--GROSS RECEIPTS TAX--CERTAIN RECEIPTS
3 OF HOMEOWNERS ASSOCIATIONS.--~~[Exempted from the gross receipts~~
4 ~~tax are those]~~ Prior to July 1, 2025, receipts of homeowners
5 associations defined in Section 528(c)(1) (A thru D), (2), (3)
6 and (4) (A, B and D) of the Internal Revenue Code, as amended,
7 which are received as membership fees, dues or assessments from
8 members who are owners of residential units, residences or
9 residential lots, except for owners of time-share interests,
10 for payment of taxes, insurance, utility expenses, management
11 and improvement, maintenance or rehabilitation of those common
12 areas, elements or facilities appurtenant thereto ~~[which]~~ that
13 are for the sole use of the owners and their guests are exempt
14 from the gross receipts tax."

15 SECTION 6. Section 7-9-26.1 NMSA 1978 (being Laws 2003,
16 Chapter 62, Section 1) is amended to read:

17 "7-9-26.1. EXEMPTION--GROSS RECEIPTS TAX AND COMPENSATING
18 TAX--FUEL FOR SPACE VEHICLES.--

19 A. ~~[Exempted from the gross receipts tax are]~~ Prior
20 to July 1, 2025, the receipts from selling fuel, oxidizer or a
21 substance that combines fuel and oxidizer to propel space
22 vehicles or to operate space vehicle launchers are exempt from
23 the gross receipts tax.

24 B. ~~[Exempted from the compensating tax is]~~ Prior to
25 July 1, 2025, the use of fuel, oxidizer or a substance that

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1 combines fuel and oxidizer to propel space vehicles or to
2 operate space vehicle launchers is exempt from the compensating
3 tax."

4 SECTION 7. Section 7-9-30 NMSA 1978 (being Laws 1969,
5 Chapter 144, Section 23, as amended) is amended to read:

6 "7-9-30. EXEMPTION--COMPENSATING TAX--RAILROAD EQUIPMENT,
7 AIRCRAFT AND SPACE VEHICLES.--

8 A. [~~Exempted from the compensating tax is~~] Prior to
9 July 1, 2025, the use of railroad locomotives, trailers,
10 containers, tenders or cars procured or bought for use in
11 railroad transportation is exempt from the compensating tax.

12 B. [~~Exempted from the compensating tax is~~] Prior to
13 July 1, 2025, the use of commercial aircraft bought or leased
14 primarily for use in the transportation of passengers or
15 property for hire in interstate commerce is exempt from the
16 compensating tax.

17 C. [~~Exempted from the compensating tax is~~] Prior to
18 July 1, 2025, the use of space vehicles for transportation of
19 persons or property in, to or from space is exempt from the
20 compensating tax."

21 SECTION 8. Section 7-9-40 NMSA 1978 (being Laws 1970,
22 Chapter 60, Section 2, as amended) is amended to read:

23 "7-9-40. EXEMPTION--GROSS RECEIPTS TAX--PURSES AND JOCKEY
24 REMUNERATION AT NEW MEXICO RACETRACKS--RECEIPTS FROM GROSS
25 AMOUNTS WAGERED.--

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1 A. ~~[Exempted from the gross receipts tax are the]~~
2 Prior to July 1, 2025, receipts of horsemen, jockeys and
3 trainers from race purses at New Mexico horse racetracks
4 subject to the jurisdiction of the state racing commission are
5 exempt from the gross receipts tax.

6 B. Exempted from the gross receipts tax are the
7 receipts of a racetrack from the commissions and other amounts
8 authorized by Section ~~[60-1-10]~~ 60-1A-19 NMSA 1978 to be
9 retained by a racetrack conducting horse races under the
10 authority of a license from the state racing commission."

11 SECTION 9. Section 7-9-41.1 NMSA 1978 (being Laws 2007,
12 Chapter 117, Section 1) is amended to read:

13 "7-9-41.1. EXEMPTION--GROSS RECEIPTS TAX AND GOVERNMENTAL
14 GROSS RECEIPTS TAX--ATHLETIC FACILITY SURCHARGE.--~~[Exempted~~
15 ~~from the gross receipts tax and from the governmental gross~~
16 ~~receipts tax are the]~~ Prior to July 1, 2025, receipts of a
17 university from an athletic facility surcharge imposed pursuant
18 to the University Athletic Facility Funding Act are exempt from
19 the gross receipts tax and the governmental gross receipts
20 tax."

21 SECTION 10. Section 7-9-41.2 NMSA 1978 (being Laws 2007,
22 Chapter 172, Section 13) is amended to read:

23 "7-9-41.2. EXEMPTION--COMPENSATING TAX--LOCOMOTIVE ENGINE
24 FUEL.--~~[Exempted from the compensating tax is]~~ Prior to July 1,
25 2025, the use of fuel to be loaded or used by a common carrier

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1 in a locomotive engine is exempt from the compensating tax.
2 For the purposes of this section, "locomotive engine" means a
3 wheeled vehicle consisting of a self-propelled engine that is
4 used to draw trains along railway tracks."

5 SECTION 11. Section 7-9-54.2 NMSA 1978 (being Laws 1995,
6 Chapter 183, Section 2, as amended) is amended to read:

7 "7-9-54.2. GROSS RECEIPTS--DEDUCTION--SPACEPORT
8 OPERATION--SPACE OPERATIONS--LAUNCHING, OPERATING AND
9 RECOVERING SPACE VEHICLES OR PAYLOADS--PAYLOAD SERVICES--
10 OPERATIONALLY RESPONSIVE SPACE PROGRAM SERVICES.--

11 A. Prior to July 1, 2025, receipts from launching,
12 operating or recovering space vehicles or payloads in New
13 Mexico may be deducted from gross receipts.

14 B. Prior to July 1, 2025, receipts from preparing a
15 payload in New Mexico are deductible from gross receipts.

16 C. Prior to July 1, 2025, receipts from operating a
17 spaceport in New Mexico are deductible from gross receipts.

18 D. Prior to July 1, 2025, receipts from the
19 provision of research, development, testing and evaluation
20 services for the United States air force operationally
21 responsive space program may be deducted from gross receipts.

22 E. As used in this section:

23 (1) "operationally responsive space program"
24 means a program authorized pursuant to 10 U.S.C. 2273a;

25 (2) "payload" means a system, subsystem or

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1 other mechanical structure or material to be conveyed into
2 space that is designed, constructed or intended to perform a
3 function in space;

4 (3) "space" means any location beyond
5 altitudes of sixty thousand feet above the earth's mean sea
6 level;

7 (4) "space operations" means the process of
8 commanding and controlling payloads in space; and

9 (5) "spaceport" means an installation and
10 related facilities used for the launching, landing, operating,
11 recovering, servicing and monitoring of vehicles capable of
12 entering or returning from space.

13 F. Receipts from the sale of tangible personal
14 property that will become an ingredient or component part of a
15 construction project or from performing construction services
16 may not be deducted under this section."

17 SECTION 12. Section 7-9-54.3 NMSA 1978 (being Laws 2002,
18 Chapter 37, Section 8, as amended by Laws 2010, Chapter 77,
19 Section 2 and by Laws 2010, Chapter 78, Section 2) is amended
20 to read:

21 "7-9-54.3. DEDUCTION--GROSS RECEIPTS TAX--WIND AND SOLAR
22 GENERATION EQUIPMENT--SALES TO GOVERNMENTS.--

23 A. Prior to July 1, 2025, receipts from selling
24 wind generation equipment or solar generation equipment to a
25 government for the purpose of installing a wind or solar

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1 electric generation facility may be deducted from gross
2 receipts.

3 B. The deduction allowed pursuant to this section
4 shall not be claimed for receipts from an expenditure for which
5 a taxpayer claims a credit pursuant to Section 7-2-18.25,
6 7-2A-25 or 7-9G-2 NMSA 1978.

7 C. As used in this section:

8 (1) "government" means the United States or
9 the state or a governmental unit or a subdivision, agency,
10 department or instrumentality of the federal government or the
11 state;

12 (2) "related equipment" means transformers,
13 circuit breakers and switching and metering equipment used to
14 connect a wind or solar electric generation plant to the
15 electric grid;

16 (3) "solar generation equipment" means solar
17 thermal energy collection, concentration and heat transfer and
18 conversion equipment; solar tracking hardware and software;
19 photovoltaic panels and inverters; support structures; turbines
20 and associated electrical generating equipment used to generate
21 electricity from solar thermal energy; and related equipment;
22 and

23 (4) "wind generation equipment" means wind
24 generation turbines, blades, nacelles, rotors and supporting
25 structures used to generate electricity from wind and related

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1 equipment."

2 SECTION 13. Section 7-9-54.4 NMSA 1978 (being Laws 2003,
3 Chapter 62, Section 4) is amended to read:

4 "7-9-54.4. DEDUCTION--COMPENSATING TAX--SPACE-RELATED
5 TEST ARTICLES.--

6 A. Prior to July 1, 2025, the value of space-
7 related test articles used in New Mexico exclusively for
8 research or testing, placing on public display after research
9 or testing or storage for future research, testing or public
10 display may be deducted in computing compensating tax due.
11 This subsection does not apply to any other use of a space-
12 related test article.

13 B. Prior to July 1, 2025, the value of equipment
14 and materials used in New Mexico for research or testing, or
15 for supporting the research or testing of, space-related test
16 articles or for storage of such equipment or materials for
17 research or testing, or supporting the research and testing of,
18 space-related test articles may be deducted in computing
19 compensating tax due. This subsection does not apply to any
20 other use of such equipment and materials.

21 C. As used in this section, a "space-related test
22 article" is a material or device intended to be used primarily
23 in research or testing to determine properties and qualities of
24 the material or properties, qualities or functioning of a
25 device or technology when the principal use of the material,

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1 device or technology is intended to be in space or as part of,
2 or associated with, a space vehicle."

3 SECTION 14. Section 7-9-54.5 NMSA 1978 (being Laws 2004,
4 Chapter 16, Section 3) is amended to read:

5 "7-9-54.5. DEDUCTION--COMPENSATING TAX--TEST ARTICLES.--

6 A. Prior to July 1, 2025, the value of test
7 articles upon which research or testing is conducted in New
8 Mexico pursuant to a contract with the United States department
9 of defense may be deducted in computing the compensating tax
10 due.

11 B. As used in this section, "test article" means a
12 material or device upon which research or testing is conducted
13 to determine the properties and qualities of the material or
14 the properties, qualities or functioning of the device or a
15 technology used with the device.

16 C. The deduction provided by this section does not
17 apply to the value of property purchased by a prime contractor
18 operating a facility designated as a national laboratory by an
19 act of congress."

20 SECTION 15. Section 7-9-57.2 NMSA 1978 (being Laws 2002,
21 Chapter 10, Section 1) is amended to read:

22 "7-9-57.2. DEDUCTION--GROSS RECEIPTS TAX--SALE OF
23 SOFTWARE DEVELOPMENT SERVICES.--

24 A. To stimulate new business development, the
25 receipts of an eligible software development company from the

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1 sale of software development services that are performed in a
2 qualified area may be deducted from gross receipts prior to
3 July 1, 2025.

4 B. As used in this section:

5 (1) "eligible software development company"
6 means a taxpayer who is not a successor in business of another
7 taxpayer; ~~and~~ whose primary business in New Mexico is
8 established after the effective date of this section and is
9 providing software development services; and who had no
10 business location in New Mexico other than in a qualified area
11 during the period for which a deduction under this section is
12 sought;

13 (2) "qualified area" means the state of New
14 Mexico except for an incorporated municipality with a
15 population of more than fifty thousand according to the most
16 recent federal decennial census; and

17 (3) "software development services" means
18 custom software design and development and web site design and
19 development but does not include software implementation or
20 support services."

21 SECTION 16. Section 7-9-61.2 NMSA 1978 (being Laws 2000,
22 Chapter 48, Section 1) is amended to read:

23 "7-9-61.2. DEDUCTION--RECEIPTS FROM SALES TO STATE-
24 CHARTERED CREDIT UNIONS.--Prior to July 1, 2025, receipts from
25 selling tangible personal property to credit unions chartered
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1 under the provisions of the Credit Union Act are deductible to
2 the same extent that receipts from the sale of tangible
3 personal property to federal credit unions may be deducted
4 pursuant to the provisions of Section 7-9-54 NMSA 1978."

5 SECTION 17. Section 7-9-73 NMSA 1978 (being Laws 1970,
6 Chapter 78, Section 2, as amended) is amended to read:

7 "7-9-73. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL
8 GROSS RECEIPTS--SALE OF PROSTHETIC DEVICES.--Prior to July 1,
9 2025, receipts from selling prosthetic devices may be deducted
10 from gross receipts or from governmental gross receipts if the
11 sale is made to a person who is licensed to practice medicine,
12 osteopathic medicine, dentistry, podiatry, optometry,
13 chiropractic or professional nursing and who delivers a
14 nontaxable transaction certificate to the seller. The buyer
15 delivering the nontaxable transaction certificate must deliver
16 the prosthetic device incidental to the performance of a
17 service and must include the value of the prosthetic device in
18 [~~his~~] the charge for the service."

19 SECTION 18. Section 7-9-73.1 NMSA 1978 (being Laws 1991,
20 Chapter 8, Section 3, as amended) is amended to read:

21 "7-9-73.1. DEDUCTION--GROSS RECEIPTS--HOSPITALS.--Prior
22 to July 1, 2025, fifty percent of the receipts of hospitals
23 licensed by the department of health may be deducted from gross
24 receipts; provided, this deduction may be applied only to the
25 taxable gross receipts remaining after all other appropriate

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1 deductions have been taken."

2 SECTION 19. Section 7-9-73.2 NMSA 1978 (being Laws 1998,
3 Chapter 95, Section 2 and Laws 1998, Chapter 99, Section 4, as
4 amended) is amended to read:

5 "7-9-73.2. DEDUCTION--GROSS RECEIPTS TAX AND GOVERNMENTAL
6 GROSS RECEIPTS TAX--PRESCRIPTION DRUGS--OXYGEN.--

7 A. Prior to July 1, 2025, receipts from the sale of
8 prescription drugs and oxygen and oxygen services provided by a
9 licensed medicare durable medical equipment provider may be
10 deducted from gross receipts and governmental gross receipts.

11 B. For the purposes of this section, "prescription
12 drugs" means insulin and substances that are:

13 (1) dispensed by or under the supervision of a
14 licensed pharmacist or by a physician or other person
15 authorized under state law to do so;

16 (2) prescribed for a specified person by a
17 person authorized under state law to prescribe the substance;
18 and

19 (3) subject to the restrictions on sale
20 contained in Subparagraph 1 of Subsection (b) of 21 USCA 353."

21 SECTION 20. Section 7-9-77.1 NMSA 1978 (being Laws 1998,
22 Chapter 96, Section 1, as amended) is amended to read:

23 "7-9-77.1. DEDUCTION--GROSS RECEIPTS TAX--CERTAIN MEDICAL
24 AND HEALTH CARE SERVICES.--

25 A. Prior to July 1, 2024, receipts from payments by

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1 the United States government or any agency thereof for
2 provision of medical and other health services by medical
3 doctors, osteopathic physicians, doctors of oriental medicine,
4 athletic trainers, chiropractic physicians, counselor and
5 therapist practitioners, dentists, massage therapists,
6 naprapaths, nurses, nutritionists, dietitians, occupational
7 therapists, optometrists, pharmacists, physical therapists,
8 psychologists, radiologic technologists, respiratory care
9 practitioners, audiologists, speech-language pathologists,
10 social workers and podiatrists or of medical, other health and
11 palliative services by hospices or nursing homes to medicare
12 beneficiaries pursuant to the provisions of Title 18 of the
13 federal Social Security Act may be deducted from gross
14 receipts.

15 B. Prior to July 1, 2024, receipts from payments by
16 a third-party administrator of the federal TRICARE program for
17 provision of medical and other health services by medical
18 doctors and osteopathic physicians to covered beneficiaries may
19 be deducted from gross receipts.

20 C. Prior to July 1, 2024, receipts from payments by
21 or on behalf of the Indian health service of the United States
22 department of health and human services for provision of
23 medical and other health services by medical doctors and
24 osteopathic physicians to covered beneficiaries may be deducted
25 from gross receipts.

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1 D. Prior to July 1, 2024, receipts from payments by
2 the United States government or any agency thereof for medical
3 services provided by a clinical laboratory to medicare
4 beneficiaries pursuant to the provisions of Title 18 of the
5 federal Social Security Act may be deducted from gross
6 receipts.

7 E. Prior to July 1, 2024, receipts from payments by
8 the United States government or any agency thereof for medical,
9 other health and palliative services provided by a home health
10 agency to medicare beneficiaries pursuant to the provisions of
11 Title 18 of the federal Social Security Act may be deducted
12 from gross receipts.

13 F. Prior to July 1, 2024, receipts from payments by
14 the United States government or any agency thereof for medical
15 and other health services provided by a dialysis facility to
16 medicare beneficiaries pursuant to the provisions of Title 18
17 of the federal Social Security Act may be deducted from gross
18 receipts according to the following schedule:

19 (1) from July 1, 2014 through June 30, 2015,
20 thirty-three and one-third percent of the receipts may be
21 deducted;

22 (2) from July 1, 2015 through June 30, 2016,
23 sixty-six and two-thirds percent of the receipts may be
24 deducted; and

25 (3) after June 30, 2016, one hundred percent

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1 of the receipts may be deducted.

2 G. A taxpayer allowed a deduction pursuant to this
3 section shall report the amount of the deduction separately in
4 a manner required by the department.

5 H. The department shall compile an annual report on
6 the deductions created pursuant to this section that shall
7 include the number of taxpayers approved by the department to
8 receive each deduction, the aggregate amount of deductions
9 approved and any other information necessary to evaluate the
10 effectiveness of the deductions. Beginning in 2020 and every
11 five years thereafter that this section is in effect, the
12 department shall compile and present the annual reports to the
13 revenue stabilization and tax policy committee and the
14 legislative finance committee with an analysis of the
15 effectiveness and cost of the deductions and whether the
16 deductions are providing a benefit to the state.

17 I. For the purposes of this section:

18 (1) "athletic trainer" means a person licensed
19 as an athletic trainer pursuant to the provisions of Chapter
20 61, Article 14D NMSA 1978;

21 (2) "chiropractic physician" means a person
22 who practices chiropractic as defined in the Chiropractic
23 Physician Practice Act;

24 (3) "clinical laboratory" means a laboratory
25 accredited pursuant to 42 USCA 263a;

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1 (4) "counselor and therapist practitioner"
2 means a person licensed to practice as a counselor or therapist
3 pursuant to the provisions of Chapter 61, Article 9A NMSA 1978;

4 (5) "dentist" means a person licensed to
5 practice as a dentist pursuant to the provisions of Chapter 61,
6 Article 5A NMSA 1978;

7 (6) "dialysis facility" means an end-stage
8 renal disease facility as defined pursuant to 42 C.F.R.
9 405.2102;

10 (7) "doctor of oriental medicine" means a
11 person licensed as a physician to practice acupuncture or
12 oriental medicine pursuant to the provisions of Chapter 61,
13 Article 14A NMSA 1978;

14 (8) "home health agency" means a for-profit
15 entity that is licensed by the department of health and
16 certified by the federal centers for medicare and medicaid
17 services as a home health agency and certified to provide
18 medicare services;

19 (9) "hospice" means a for-profit entity
20 licensed by the department of health as a hospice and certified
21 to provide medicare services;

22 (10) "massage therapist" means a person
23 licensed to practice massage therapy pursuant to the provisions
24 of Chapter 61, Article 12C NMSA 1978;

25 (11) "medical doctor" means a person licensed

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1 as a physician to practice medicine pursuant to the provisions
2 of the Medical Practice Act;

3 (12) "naprapath" means a person licensed as a
4 naprapath pursuant to the provisions of Chapter 61, Article 12F
5 NMSA 1978;

6 (13) "nurse" means a person licensed as a
7 registered nurse pursuant to the provisions of Chapter 61,
8 Article 3 NMSA 1978;

9 (14) "nursing home" means a for-profit entity
10 licensed by the department of health as a nursing home and
11 certified to provide medicare services;

12 (15) "nutritionist" or "dietitian" means a
13 person licensed as a nutritionist or dietitian pursuant to the
14 provisions of Chapter 61, Article 7A NMSA 1978;

15 (16) "occupational therapist" means a person
16 licensed as an occupational therapist pursuant to the
17 provisions of Chapter 61, Article 12A NMSA 1978;

18 (17) "osteopathic physician" means a person
19 licensed as an osteopathic physician pursuant to the provisions
20 of Chapter 61, Article 10 NMSA 1978;

21 (18) "optometrist" means a person licensed to
22 practice optometry pursuant to the provisions of Chapter 61,
23 Article 2 NMSA 1978;

24 (19) "pharmacist" means a person licensed as a
25 pharmacist pursuant to the provisions of Chapter 61, Article 11

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1 NMSA 1978;

2 (20) "physical therapist" means a person
3 licensed as a physical therapist pursuant to the provisions of
4 Chapter 61, Article 12D NMSA 1978;

5 (21) "podiatrist" means a person licensed as a
6 podiatrist pursuant to the provisions of the Podiatry Act;

7 (22) "psychologist" means a person licensed as
8 a psychologist pursuant to the provisions of Chapter 61,
9 Article 9 NMSA 1978;

10 (23) "radiologic technologist" means a person
11 licensed as a radiologic technologist pursuant to the
12 provisions of Chapter 61, Article 14E NMSA 1978;

13 (24) "respiratory care practitioner" means a
14 person licensed as a respiratory care practitioner pursuant to
15 the provisions of Chapter 61, Article 12B NMSA 1978;

16 (25) "social worker" means a person licensed
17 as an independent social worker pursuant to the provisions of
18 Chapter 61, Article 31 NMSA 1978;

19 (26) "speech-language pathologist" means a
20 person licensed as a speech-language pathologist pursuant to
21 the provisions of Chapter 61, Article 14B NMSA 1978; and

22 (27) "TRICARE program" means the program
23 defined in 10 U.S.C. 1072(7)."

24 SECTION 21. Section 7-9-83 NMSA 1978 (being Laws 1993,
25 Chapter 364, Section 1, as amended) is amended to read:

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1 "7-9-83. DEDUCTION--GROSS RECEIPTS TAX--JET FUEL.--

2 A. From July 1, 2003 through June 30, 2017, fifty-
3 five percent of the receipts from the sale of fuel specially
4 prepared and sold for use in turboprop or jet-type engines as
5 determined by the department may be deducted from gross
6 receipts.

7 B. ~~[After June 30]~~ From July 1, 2017 through June
8 30, 2027, forty percent of the receipts from the sale of fuel
9 specially prepared and sold for use in turboprop or jet-type
10 engines as determined by the department may be deducted from
11 gross receipts."

12 SECTION 22. Section 7-9-84 NMSA 1978 (being Laws 1993,
13 Chapter 364, Section 2, as amended) is amended to read:

14 "7-9-84. DEDUCTION--COMPENSATING TAX--JET FUEL.--

15 A. From July 1, 2003 through June 30, 2017, fifty-
16 five percent of the value of the fuel specially prepared and
17 sold for use in turboprop or jet-type engines as determined by
18 the department may be deducted in computing the compensating
19 tax due.

20 B. ~~[After June 30]~~ From July 1, 2017 through June
21 30, 2027, forty percent of the value of the fuel specially
22 prepared and sold for use in turboprop or jet-type engines as
23 determined by the department may be deducted in computing the
24 compensating tax due."

25 SECTION 23. Section 7-9-86 NMSA 1978 (being Laws 1995,

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1 Chapter 80, Section 1, as amended) is amended to read:

2 "7-9-86. DEDUCTION--GROSS RECEIPTS TAX--SALES TO
3 QUALIFIED FILM PRODUCTION COMPANY.--

4 A. Prior to July 1, 2027, receipts from selling or
5 leasing property and from performing services may be deducted
6 from gross receipts or from governmental gross receipts if the
7 sale, lease or performance is made to a qualified production
8 company that delivers a nontaxable transaction certificate to
9 the seller, lessor or performer.

10 B. For the purposes of this section:

11 (1) "film" means a single media or multimedia
12 program, including an advertising message, that:

13 (a) is fixed on film, digital medium,
14 videotape, computer disc, laser disc or other similar delivery
15 medium;

16 (b) can be viewed or reproduced;

17 (c) is not intended to and does not
18 violate a provision of Chapter 30, Article 37 NMSA 1978; and

19 (d) is intended for reasonable
20 commercial exploitation for the delivery medium used;

21 (2) "production company" means a person that
22 produces one or more films for exhibition in theaters, on
23 television or elsewhere;

24 (3) "production costs" means the costs of the
25 following:

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1 (a) a story and scenario to be used for
2 a film;

3 (b) salaries of talent, management and
4 labor, including payments to personal services corporations for
5 the services of a performing artist;

6 (c) set construction and operations,
7 wardrobe, accessories and related services;

8 (d) photography, sound synchronization,
9 lighting and related services;

10 (e) editing and related services;

11 (f) rental of facilities and equipment;

12 or

13 (g) other direct costs of producing the
14 film in accordance with generally accepted entertainment
15 industry practice; and

16 (4) "qualified production company" means a
17 production company that meets the provisions of this section
18 and has registered or will register with the New Mexico film
19 division of the economic development department.

20 C. A qualified production company may deliver the
21 nontaxable transaction certificates authorized by this section
22 only with respect to production costs."

23 SECTION 24. Section 7-9-93 NMSA 1978 (being Laws 2004,
24 Chapter 116, Section 6, as amended) is amended to read:

25 "7-9-93. DEDUCTION--GROSS RECEIPTS--CERTAIN RECEIPTS FOR
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1 SERVICES PROVIDED BY HEALTH CARE PRACTITIONER.--

2 A. Prior to July 1, 2029, receipts from payments by
3 a managed health care provider or health care insurer for
4 commercial contract services or medicare part C services
5 provided by a health care practitioner that are not otherwise
6 deductible pursuant to another provision of the Gross Receipts
7 and Compensating Tax Act may be deducted from gross receipts,
8 provided that the services are within the scope of practice of
9 the person providing the service. Receipts from fee-for-
10 service payments by a health care insurer may not be deducted
11 from gross receipts. The deduction provided by this section
12 shall be separately stated by the taxpayer.

13 B. For the purposes of this section:

14 (1) "commercial contract services" means
15 health care services performed by a health care practitioner
16 pursuant to a contract with a managed health care provider or
17 health care insurer other than those health care services
18 provided for medicare patients pursuant to Title 18 of the
19 federal Social Security Act or for medicaid patients pursuant
20 to Title 19 or Title 21 of the federal Social Security Act;

21 (2) "health care insurer" means a person that:

22 (a) has a valid certificate of authority
23 in good standing pursuant to the New Mexico Insurance Code to
24 act as an insurer, health maintenance organization or nonprofit
25 health care plan or prepaid dental plan; and

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1 (b) contracts to reimburse licensed
2 health care practitioners for providing basic health services
3 to enrollees at negotiated fee rates;

4 (3) "health care practitioner" means:

5 (a) a chiropractic physician licensed
6 pursuant to the provisions of the Chiropractic Physician
7 Practice Act;

8 (b) a dentist or dental hygienist
9 licensed pursuant to the Dental Health Care Act;

10 (c) a doctor of oriental medicine
11 licensed pursuant to the provisions of the Acupuncture and
12 Oriental Medicine Practice Act;

13 (d) an optometrist licensed pursuant to
14 the provisions of the Optometry Act;

15 (e) an osteopathic physician licensed
16 pursuant to the provisions of Chapter 61, Article 10 NMSA 1978
17 or an osteopathic physician's assistant licensed pursuant to
18 the provisions of the Osteopathic Physicians' Assistants Act;

19 (f) a physical therapist licensed
20 pursuant to the provisions of the Physical Therapy Act;

21 (g) a physician or physician assistant
22 licensed pursuant to the provisions of Chapter 61, Article 6
23 NMSA 1978;

24 (h) a podiatrist licensed pursuant to
25 the provisions of the Podiatry Act;

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1 (i) a psychologist licensed pursuant to
2 the provisions of the Professional Psychologist Act;

3 (j) a registered lay midwife registered
4 by the department of health;

5 (k) a registered nurse or licensed
6 practical nurse licensed pursuant to the provisions of the
7 Nursing Practice Act;

8 (l) a registered occupational therapist
9 licensed pursuant to the provisions of the Occupational Therapy
10 Act;

11 (m) a respiratory care practitioner
12 licensed pursuant to the provisions of the Respiratory Care
13 Act;

14 (n) a speech-language pathologist or
15 audiologist licensed pursuant to the Speech-Language Pathology,
16 Audiology and Hearing Aid Dispensing Practices Act;

17 (o) a professional clinical mental
18 health counselor, marriage and family therapist or professional
19 art therapist licensed pursuant to the provisions of the
20 Counseling and Therapy Practice Act who has obtained a master's
21 degree or a doctorate;

22 (p) an independent social worker
23 licensed pursuant to the provisions of the Social Work Practice
24 Act; and

25 (q) a clinical laboratory that is

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1 accredited pursuant to 42 U.S.C. Section 263a but that is not a
2 laboratory in a physician's office or in a hospital defined
3 pursuant to 42 U.S.C. Section 1395x;

4 (4) "managed health care provider" means a
5 person that provides for the delivery of comprehensive basic
6 health care services and medically necessary services to
7 individuals enrolled in a plan through its own employed health
8 care providers or by contracting with selected or participating
9 health care providers. "Managed health care provider" includes
10 only those persons that provide comprehensive basic health care
11 services to enrollees on a contract basis, including the
12 following:

- 13 (a) health maintenance organizations;
- 14 (b) preferred provider organizations;
- 15 (c) individual practice associations;
- 16 (d) competitive medical plans;
- 17 (e) exclusive provider organizations;
- 18 (f) integrated delivery systems;
- 19 (g) independent physician-provider
20 organizations;
- 21 (h) physician hospital-provider
22 organizations; and
- 23 (i) managed care services organizations;
- 24 and

25 (5) "medicare part C services" means services

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1 performed pursuant to a contract with a managed health care
2 provider for medicare patients pursuant to Title 18 of the
3 federal Social Security Act."

4 SECTION 25. Section 7-9-95 NMSA 1978 (being Laws 2005,
5 Chapter 104, Section 25) is amended to read:

6 "7-9-95. DEDUCTION--GROSS RECEIPTS TAX--SALES OF CERTAIN
7 TANGIBLE PERSONAL PROPERTY--LIMITED PERIOD.--Prior to July 1,
8 2027, receipts from the sale at retail of the following types
9 of tangible personal property may be deducted if the sale of
10 the property occurs during the period beginning at 12:01 a.m.
11 on the first Friday in August and ending at midnight on the
12 following Sunday:

13 A. an article of clothing or footwear designed to
14 be worn on or about the human body if the sales price of the
15 article is less than one hundred dollars (\$100) except:

16 (1) any special clothing or footwear that is
17 primarily designed for athletic activity or protective use and
18 that is not normally worn except when used for the athletic
19 activity or protective use for which it is designed; and

20 (2) accessories, including jewelry, handbags,
21 luggage, umbrellas, wallets, watches and similar items worn or
22 carried on or about the human body, without regard to whether
23 worn on the body in a manner characteristic of clothing;

24 B. a desktop, laptop or notebook computer if the
25 sales price of the computer does not exceed one thousand

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1 dollars (\$1,000) and any associated monitor, speaker or set of
2 speakers, printer, keyboard, microphone or mouse if the sales
3 price of the device does not exceed five hundred dollars
4 (\$500); and

5 C. school supplies that are items normally used by
6 students in a standard classroom for educational purposes,
7 including notebooks, paper, writing instruments, crayons, art
8 supplies, rulers, book bags, backpacks, handheld calculators,
9 maps and globes, but not including watches, radios, compact
10 disc players, headphones, sporting equipment, portable or
11 desktop telephones, copiers, office equipment, furniture or
12 fixtures."

13 SECTION 26. Section 7-9-97 NMSA 1978 (being Laws 2005,
14 Chapter 169, Section 1) is amended to read:

15 "7-9-97. DEDUCTION--GROSS RECEIPTS TAX--RECEIPTS FROM
16 CERTAIN PURCHASES BY OR ON BEHALF OF THE STATE.--Prior to July
17 1, 2027, receipts from the sale of property or services
18 purchased by or on behalf of the state from funds obtained from
19 the forfeiture of financial assurance pursuant to the New
20 Mexico Mining Act or the forfeiture of financial responsibility
21 pursuant to the Water Quality Act may be deducted from gross
22 receipts."

23 SECTION 27. Section 7-9-98 NMSA 1978 (being Laws 2005,
24 Chapter 179, Section 1) is amended to read:

25 "7-9-98. DEDUCTION--COMPENSATING TAX--BIOMASS-RELATED
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1 EQUIPMENT--BIOMASS MATERIALS.--

2 A. Prior to July 1, 2027, the value of a biomass
3 boiler, gasifier, furnace, turbine-generator, storage facility,
4 feedstock processing or drying equipment, feedstock trailer or
5 interconnection transformer may be deducted in computing the
6 compensating tax due.

7 B. Prior to July 1, 2027, the value of biomass
8 materials used for processing into biopower, biofuels or
9 biobased products may be deducted in computing the compensating
10 tax due.

11 C. As used in this section:

12 (1) "biobased products" means products created
13 from plant- or crop-based resources such as agricultural crops
14 and crop residues, forestry, pastures and rangelands that are
15 normally made from petroleum;

16 (2) "biofuels" means biomass converted to
17 liquid or gaseous fuels such as ethanol, methanol, methane and
18 hydrogen;

19 (3) "biomass material" means organic material
20 that is available on a renewable or recurring basis, including:

21 (a) forest-related materials, including
22 mill residues, logging residues, forest thinnings, slash,
23 brush, low-commercial-value materials or undesirable species,
24 salt cedar and other phreatophyte or woody vegetation removed
25 from river basins or watersheds and woody material harvested

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1 for the purpose of forest fire fuel reduction or forest health
2 and watershed improvement;

3 (b) agricultural-related materials,
4 including orchard trees, vineyard, grain or crop residues,
5 including straws and stover, aquatic plants and agricultural
6 processed co-products and waste products, including fats, oils,
7 greases, whey and lactose;

8 (c) animal waste, including manure and
9 slaughterhouse and other processing waste;

10 (d) solid woody waste materials,
11 including landscape or right-of-way tree trimmings, range land
12 maintenance residues, waste pallets, crates and manufacturing,
13 construction and demolition wood wastes, excluding pressure-
14 treated, chemically treated or painted wood wastes and wood
15 contaminated with plastic;

16 (e) crops and trees planted for the
17 purpose of being used to produce energy;

18 (f) landfill gas, wastewater treatment
19 gas and biosolids, including organic waste byproducts generated
20 during the wastewater treatment process; and

21 (g) segregated municipal solid waste,
22 excluding tires and medical and hazardous waste; and

23 (4) "biopower" means biomass converted to
24 produce electrical and thermal energy."

25 SECTION 28. Section 7-9-99 NMSA 1978 (being Laws 2006,

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1 Chapter 35, Section 1) is amended to read:

2 "7-9-99. DEDUCTION--GROSS RECEIPTS TAX--SALE OF
3 ENGINEERING, ARCHITECTURAL AND NEW FACILITY CONSTRUCTION
4 SERVICES USED IN CONSTRUCTION OF CERTAIN PUBLIC HEALTH CARE
5 FACILITIES.--Prior to July 1, 2027, receipts from selling an
6 engineering, architectural or construction service used in the
7 new facility construction of a [~~sole community provider~~]
8 qualifying hospital that is located in a federally designated
9 health professional shortage area may be deducted from gross
10 receipts if the sale of the engineering, architectural or
11 construction service is made to a foundation or a nonprofit
12 organization that:

13 A. has entered into a written agreement with a
14 county to pay at least ninety-five percent of the costs of new
15 facility construction of that [~~sole community provider~~]
16 qualifying hospital; and

17 B. delivers to the seller of the engineering,
18 architectural or construction service either an appropriate
19 nontaxable transaction certificate or other evidence acceptable
20 to the secretary of a written agreement made in accordance with
21 Subsection A of this section."

22 SECTION 29. Section 7-9-100 NMSA 1978 (being Laws 2006,
23 Chapter 35, Section 2) is amended to read:

24 "7-9-100. DEDUCTION--GROSS RECEIPTS TAX--SALE OF
25 CONSTRUCTION EQUIPMENT AND CONSTRUCTION MATERIALS USED IN NEW

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1 FACILITY CONSTRUCTION OF A [~~SOLE COMMUNITY PROVIDER~~] QUALIFYING
2 HOSPITAL THAT IS LOCATED IN A FEDERALLY DESIGNATED HEALTH
3 PROFESSIONAL SHORTAGE AREA.--Prior to July 1, 2027, receipts
4 from selling construction equipment or construction materials
5 used in the new facility construction of a [~~sole community~~
6 ~~provider~~] qualifying hospital that is located in a federally
7 designated health professional shortage area may be deducted
8 from gross receipts if the sale of the construction equipment
9 or construction materials is made to a foundation or a
10 nonprofit organization that:

11 A. has entered into a written agreement with a
12 county to pay at least ninety-five percent of the costs of new
13 facility construction of that [~~sole community provider~~]
14 qualifying hospital; and

15 B. delivers to the seller either an appropriate
16 nontaxable transaction certificate or other evidence acceptable
17 to the secretary of a written agreement made in accordance with
18 Subsection A of this section."

19 **SECTION 30.** Section 7-9-101 NMSA 1978 (being Laws 2007,
20 Chapter 3, Section 16) is amended to read:

21 "7-9-101. DEDUCTION--GROSS RECEIPTS--EQUIPMENT FOR
22 CERTAIN ELECTRIC TRANSMISSION OR STORAGE FACILITIES.--Prior to
23 July 1, 2027, receipts from selling equipment to the New Mexico
24 renewable energy transmission authority or an agent or lessee
25 of the authority may be deducted from gross receipts if the

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1 equipment is installed as part of an electric transmission
2 facility or an interconnected storage facility acquired by the
3 authority pursuant to the New Mexico Renewable Energy
4 Transmission Authority Act."

5 SECTION 31. Section 7-9-102 NMSA 1978 (being Laws 2007,
6 Chapter 3, Section 17) is amended to read:

7 "7-9-102. DEDUCTION--COMPENSATING TAX--EQUIPMENT FOR
8 CERTAIN ELECTRIC TRANSMISSION OR STORAGE FACILITIES.--Prior to
9 July 1, 2027, the value of equipment installed as part of an
10 electric transmission facility or an interconnected storage
11 facility acquired by the New Mexico renewable energy
12 transmission authority pursuant to the New Mexico Renewable
13 Energy Transmission Authority Act may be deducted in computing
14 compensating tax due."

15 SECTION 32. Section 7-9-103 NMSA 1978 (being Laws 2007,
16 Chapter 3, Section 18) is amended to read:

17 "7-9-103. DEDUCTION--GROSS RECEIPTS--SERVICES PROVIDED
18 FOR CERTAIN ELECTRIC TRANSMISSION AND STORAGE FACILITIES.--
19 Prior to July 1, 2027, receipts from providing services to the
20 New Mexico renewable energy transmission authority or an agent
21 or lessee of the authority for the planning, installation,
22 repair, maintenance or operation of an electric transmission
23 facility or an interconnected storage facility acquired by the
24 authority pursuant to the New Mexico Renewable Energy
25 Transmission Authority Act may be deducted from gross

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1 receipts."

2 SECTION 33. Section 7-9-103.1 NMSA 1978 (being Laws 2012,
3 Chapter 12, Section 2) is amended to read:

4 "7-9-103.1. DEDUCTION--GROSS RECEIPTS TAX--CONVERTING
5 ELECTRICITY.--

6 A. Prior to July 1, 2027, receipts from the
7 transmission of electricity where voltage source conversion
8 technology is employed to provide such services and from
9 ancillary services may be deducted from gross receipts.

10 B. The department shall report annually to the
11 interim revenue stabilization and tax policy committee on the
12 expansion of voltage source conversion technology use in the
13 transmission of electricity in New Mexico and the use of the
14 deduction provided in this section.

15 C. As used in this section, "ancillary services"
16 means services that are supplied from or in connection with
17 facilities employing voltage source conversion technology and
18 that are used to support or enhance the efficient and reliable
19 operation of the electric system."

20 SECTION 34. Section 7-9-103.2 NMSA 1978 (being Laws 2012,
21 Chapter 12, Section 3) is amended to read:

22 "7-9-103.2. DEDUCTION--GROSS RECEIPTS--ELECTRICITY
23 EXCHANGE.--

24 A. Prior to July 1, 2027, receipts from operating a
25 market or exchange for the sale or trading of electricity,

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1 rights to electricity and derivative products and from
2 providing ancillary services may be deducted from gross
3 receipts.

4 B. The department shall report annually to the
5 interim revenue stabilization and tax policy committee on use
6 of the deduction provided in this section.

7 C. As used in this section, "ancillary services"
8 means services that are supplied from or in connection with
9 facilities employing voltage source conversion technology and
10 that are used to support or enhance the efficient and reliable
11 operation of the electric system."

12 SECTION 35. Section 7-9-107 NMSA 1978 (being Laws 2007,
13 Chapter 172, Section 9) is amended to read:

14 "7-9-107. DEDUCTION--GROSS RECEIPTS TAX--PRODUCTION OR
15 STAGING OF PROFESSIONAL CONTESTS.--Prior to July 1, 2027,
16 receipts from producing or staging a professional boxing,
17 wrestling or martial arts contest that occurs in New Mexico,
18 including receipts from ticket sales and broadcasting, may be
19 deducted from gross receipts."

20 SECTION 36. Section 7-9-110.1 NMSA 1978 (being Laws 2011,
21 Chapter 60, Section 1 and Laws 2011, Chapter 61, Section 1) is
22 amended to read:

23 "7-9-110.1. DEDUCTION--GROSS RECEIPTS TAX--LOCOMOTIVE
24 ENGINE FUEL.--Prior to July 1, 2027, receipts from the sale of
25 fuel to a common carrier to be loaded or used in a locomotive

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1 engine may be deducted from gross receipts. For the purposes
2 of this section, "locomotive engine" means a wheeled vehicle
3 consisting of a self-propelled engine that is used to draw
4 trains along railway tracks."

5 SECTION 37. Section 7-9-110.2 NMSA 1978 (being Laws 2011,
6 Chapter 60, Section 2 and Laws 2011, Chapter 61, Section 2) is
7 amended to read:

8 "7-9-110.2. DEDUCTION--COMPENSATING TAX--LOCOMOTIVE
9 ENGINE FUEL.--Prior to July 1, 2027, the value of fuel to be
10 loaded or used by a common carrier in a locomotive engine may
11 be deducted in computing the compensating tax due. For the
12 purposes of this section, "locomotive engine" means a wheeled
13 vehicle consisting of a self-propelled engine that is used to
14 draw trains along railway tracks."

15 SECTION 38. Section 7-9-111 NMSA 1978 (being Laws 2007,
16 Chapter 361, Section 6) is amended to read:

17 "7-9-111. DEDUCTION--GROSS RECEIPTS--HEARING AIDS AND
18 VISION AIDS AND RELATED SERVICES.--

19 A. Prior to July 1, 2027, receipts that are not
20 exempt from gross receipts taxation and are not deductible
21 pursuant to another provision of the Gross Receipts and
22 Compensating Tax Act that are from the sale of vision aids or
23 hearing aids or related services may be deducted from gross
24 receipts.

25 B. As used in this section:

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1 (1) "hearing aid" means a small electronic
2 prescription device that amplifies sound and is usually worn in
3 or behind the ear of a person that compensates for impaired
4 hearing, including cochlear implants, amplification systems or
5 other devices that are:

6 (a) specifically designed for use by and
7 marketed to persons with hearing loss; and

8 (b) not normally used by a person who
9 does not have a hearing loss;

10 (2) "low vision" means impaired vision with a
11 significant reduction in visual function that cannot be
12 corrected with conventional glasses or contact lenses;

13 (3) "related services" means services required
14 to fit or dispense hearing aids or vision aids;

15 (4) "vision aid" means closed circuit
16 television systems, monoculars, magnification systems, speech
17 output devices or other systems that are:

18 (a) specifically designed for use by and
19 marketed to persons with low vision or visual impairments; and

20 (b) not normally used by a person who
21 does not have low vision or a visual impairment; and

22 (5) "visual impairment" means a central visual
23 acuity of 20/200 or less in the better eye with the use of a
24 correcting lens or a limitation in the fields of vision so that
25 the widest diameter of the visual field subtends an angle of

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1 twenty degrees or less."

2 SECTION 39. Section 7-9-112 NMSA 1978 (being Laws 2007,
3 Chapter 204, Section 10) is amended to read:

4 "7-9-112. DEDUCTION--GROSS RECEIPTS--SOLAR ENERGY
5 SYSTEMS.--

6 A. Prior to July 1, 2027, receipts from the sale
7 and installation of solar energy systems may be deducted from
8 gross receipts.

9 B. As used in this section, "solar energy system"
10 means an installation that is used to provide space heat, hot
11 water or electricity to the property in which it is installed
12 and is:

13 (1) an installation that utilizes solar panels
14 that are not also windows, including the solar panels and all
15 equipment necessary for the installation and operation of the
16 solar panels;

17 (2) a dark-colored water tank exposed to
18 sunlight, including all equipment necessary for the
19 installation and operation of the water tank as a part of the
20 overall water system of the property; or

21 (3) a non-vented trombe wall, including all
22 equipment necessary for the installation and operation of the
23 trombe wall."

24 SECTION 40. APPROPRIATION.--Five hundred thousand dollars
25 (\$500,000) is appropriated from the general fund to the

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1 taxation and revenue department for expenditure in fiscal years
2 2016 and 2017 to purchase equipment and contract for services
3 necessary to create and process an expanded reporting form for
4 taxpayer reporting of deductions and exemptions pursuant to
5 Section 1 of this act and to provide public outreach to
6 taxpayers regarding the reporting requirements. Any unexpended
7 or unencumbered balance remaining at the end of fiscal year
8 2017 shall revert to the general fund.

9 **SECTION 41. EFFECTIVE DATE.--**

10 A. The effective date of the provisions of Section
11 1 of this act is July 1, 2016.

12 B. The effective date of the provisions of Sections
13 2 through 40 of this act is July 1, 2015.