

1 AN ACT

2 RELATING TO TAXATION; AUTHORIZING THE TAXATION AND REVENUE
3 DEPARTMENT TO REVEAL TAX RETURN INFORMATION TO AN AUTHORIZED
4 REPRESENTATIVE OF A LOCAL GOVERNMENT OF ANOTHER STATE WHO IS
5 CHARGED WITH THE RESPONSIBILITY FOR ADMINISTRATION OF THAT
6 STATE'S TAX LAWS; AMENDING PROVISIONS OF THE ANGEL
7 INVESTMENT CREDIT; PROVIDING AN INCOME TAX DEDUCTION FOR
8 CERTAIN UNREIMBURSED OR UNCOMPENSATED MEDICAL CARE EXPENSES;
9 REVISING THE DUE DATE FOR CORPORATE INCOME AND FRANCHISE TAX
10 FILING AND PAYMENT FOR ELECTRONIC SUBMISSIONS; REVISING THE
11 DUE DATE FOR PASS-THROUGH ENTITY INFORMATION-RETURN FILING
12 FOR ELECTRONIC SUBMISSIONS; PROVIDING FOR THE USE OF A
13 SINGLE SALES FACTOR BY A HEADQUARTERS OPERATION IN
14 APPORTIONING CORPORATE INCOME TO THE STATE; EXTENDING
15 ELIGIBILITY FOR THE GROSS RECEIPTS TAX DEDUCTION FOR
16 TRADE-SUPPORT COMPANIES IN A BORDER ZONE; PROVIDING A
17 DEDUCTION FROM THE GROSS RECEIPTS TAX FOR CERTAIN RECEIPTS
18 DERIVED FROM THE SALE OF GOODS AND SERVICES TO THE UNITED
19 STATES DEPARTMENT OF DEFENSE RELATED TO DIRECTED ENERGY OR
20 SATELLITES; AMENDING THE TECHNOLOGY JOBS TAX CREDIT ACT TO
21 CREATE THE TECHNOLOGY JOBS AND RESEARCH AND DEVELOPMENT TAX
22 CREDIT ACT; PREVENTING DOUBLE TAXATION OF GASOLINE OR
23 SPECIAL FUEL WHEN A RACK OPERATOR MUST TAKE PRODUCT FROM
24 NON-PIPELINE OR REFINERY SOURCES; PROVIDING A REFUND OF THE
25 PETROLEUM PRODUCTS LOADING FEE ON PRODUCTS PREVIOUSLY LOADED

1 FROM A SOURCE OTHER THAN A REFINER OR PIPELINE TERMINAL;
2 AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

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

5 SECTION 1. Section 7-1-8.7 NMSA 1978 (being Laws 2009,
6 Chapter 243, Section 9) is amended to read:

7 "7-1-8.7. INFORMATION THAT MAY BE REVEALED TO OTHER
8 STATES OR MULTISTATE ADMINISTRATIVE BODIES.--An employee of
9 the department may reveal return information to:

10 A. an authorized representative of another state
11 or an authorized representative of a local government of
12 another state who is charged under the laws of that state
13 with the responsibility for administration of that state's
14 tax laws; provided that the receiving state or local
15 government has entered into a written agreement with the
16 department to use the return information for tax purposes
17 only and that the receiving state has enacted a
18 confidentiality statute and penalty similar to Sections
19 7-1-8 and 7-1-76 NMSA 1978 to which the representative is
20 subject;

21 B. the multistate tax commission, the federation
22 of tax administrators or their authorized representatives;
23 provided that the return information is used for tax
24 purposes only and is revealed by the multistate tax
25 commission or the federation of tax administrators only to

1 states that have met the requirements of Subsection A of
2 this section; and

3 C. another jurisdiction pursuant to an
4 international fuel tax agreement; provided that the return
5 information is used for tax purposes only."

6 SECTION 2. Section 7-2-18.17 NMSA 1978 (being Laws
7 2007, Chapter 172, Section 1, as amended) is amended to
8 read:

9 "7-2-18.17. ANGEL INVESTMENT CREDIT.--

10 A. A taxpayer who files a New Mexico income tax
11 return, is not a dependent of another taxpayer, is an
12 accredited investor and makes a qualified investment may
13 claim a credit in an amount not to exceed twenty-five
14 percent of the qualified investment; provided that a credit
15 for each qualified investment shall not exceed sixty-two
16 thousand five hundred dollars (\$62,500). The tax credit
17 provided in this section shall be known as the "angel
18 investment credit".

19 B. A taxpayer may claim the angel investment
20 credit for not more than one qualified investment per
21 investment round. A taxpayer may claim the angel investment
22 credit for qualified investments in no more than five
23 qualified businesses per taxable year.

24 C. A taxpayer may claim the angel investment
25 credit no later than one year following the end of the

1 calendar year in which the qualified investment was made;
2 provided that a claim for the credit may not be made or
3 allowed with respect to any investment made after
4 December 31, 2025.

5 D. A taxpayer shall apply for certification of
6 eligibility for the angel investment credit from the
7 economic development department. Completed applications
8 shall be considered in the order received. If the economic
9 development department determines that the taxpayer is an
10 accredited investor and the investment is a qualified
11 investment, it shall issue a certificate of eligibility to
12 the taxpayer, subject to the limitation in Subsection E of
13 this section. The certificate shall be dated and shall
14 include a calculation of the amount of the angel investment
15 credit for which the taxpayer is eligible. The economic
16 development department may issue rules governing the
17 procedure for administering the provisions of this
18 subsection.

19 E. The economic development department may issue
20 a certificate of eligibility pursuant to Subsection D of
21 this section only if the total amount of angel investment
22 credits represented by certificates of eligibility issued by
23 the economic development department in any calendar year
24 will not exceed two million dollars (\$2,000,000). If the
25 applications for certificates of eligibility for angel

1 investment credits represent an aggregate amount exceeding
2 two million dollars (\$2,000,000) for any calendar year,
3 certificates shall be issued in the order that completed
4 applications were received. The excess applications that
5 would have been certified, but for the limit imposed by this
6 subsection, shall be certified, subject to the same limit,
7 in subsequent calendar years.

8 F. The economic development department shall
9 report annually to the legislative finance committee on the
10 utilization and effectiveness of the angel investment
11 credit. The report shall include, at a minimum: the number
12 of accredited investors to whom certificates of eligibility
13 were issued by the economic development department in the
14 previous year; the names of those investors; the amount of
15 angel investment credit for which each investor was
16 certified eligible; and the number and names of the
17 businesses that the economic development department has
18 determined are qualified businesses for purposes of an
19 investment by an accredited investor. The report shall also
20 include an evaluation of the success of the angel investment
21 credit as an incubator of new businesses in New Mexico and
22 of the continued viability and operation in New Mexico of
23 businesses in which investments eligible for the angel
24 investment credit have been made.

25 G. To claim the angel investment credit, the

1 taxpayer must provide to the taxation and revenue department
2 a certificate of eligibility issued by the economic
3 development department pursuant to Subsection D of this
4 section and any other information the taxation and revenue
5 department may require to determine the amount of the tax
6 credit due the taxpayer. If the requirements of this
7 section have been complied with, the taxation and revenue
8 department shall approve the claim for the credit.

9 H. A taxpayer who otherwise qualifies for and
10 claims a credit pursuant to this section for a qualified
11 investment made by a partnership or other business
12 association of which the taxpayer is a member may claim a
13 credit only in proportion to the taxpayer's interest in the
14 partnership or business association.

15 I. A husband and wife who file separate returns
16 for a taxable year in which they could have filed a joint
17 return may each claim one-half of the credit that would have
18 been allowed on a joint return.

19 J. The angel investment credit may only be
20 deducted from the taxpayer's income tax liability. Any
21 portion of the tax credit provided by this section that
22 remains unused at the end of the taxpayer's taxable year may
23 be carried forward for five consecutive years.

24 K. As used in this section:

25 (1) "accredited investor" means a person

1 who is an accredited investor within the meaning of Rule 501
2 issued by the federal securities and exchange commission
3 pursuant to the federal Securities Act of 1933, as amended;

4 (2) "business" means a corporation, general
5 partnership, limited partnership, limited liability company
6 or other similar entity, but excludes an entity that is a
7 government or a nonprofit organization designated as such by
8 the federal government or any state;

9 (3) "equity" means common or preferred
10 stock of a corporation, a partnership interest in a limited
11 partnership or a membership interest in a limited liability
12 company, including debt subject to an option in favor of the
13 creditor to convert the debt into common or preferred stock,
14 a partnership interest or a membership interest;

15 (4) "investment round" means an offer and
16 sale of securities and all other offers and sales of
17 securities that would be integrated with such offer and sale
18 of securities under Regulation D issued by the federal
19 securities and exchange commission pursuant to the federal
20 Securities Act of 1933, as amended;

21 (5) "manufacturing" means combining or
22 processing components or materials to increase their value
23 for sale in the ordinary course of business, but does not
24 include:

25 (a) construction;

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- (b) farming;
 - (c) processing natural resources, including hydrocarbons; or
 - (d) preparing meals for immediate consumption, on- or off-premises;
- (6) "qualified business" means a business that:
- (a) maintains its principal place of business and employs a majority of its full-time employees, if any, in New Mexico and a majority of its tangible assets, if any, are located in New Mexico;
 - (b) engages in qualified research or manufacturing activities in New Mexico;
 - (c) is not primarily engaged in or is not primarily organized as any of the following types of businesses: credit or finance services, including banks, savings and loan associations, credit unions, small loan companies or title loan companies; financial brokering or investment; professional services, including accounting, legal services, engineering and any other service the practice of which requires a license; insurance; real estate; construction or construction contracting; consulting or brokering; mining; wholesale or retail trade; providing utility service, including water, sewerage, electricity, natural gas, propane or butane; publishing, including

1 publishing newspapers or other periodicals; broadcasting; or
2 providing internet operating services;

3 (d) has not issued securities
4 registered pursuant to Section 6 of the federal Securities
5 Act of 1933, as amended; has not issued securities traded on
6 a national securities exchange; is not subject to reporting
7 requirements of the federal Securities Exchange Act of 1934,
8 as amended; and is not registered pursuant to the federal
9 Investment Company Act of 1940, as amended, at the time of
10 the investment;

11 (e) has one hundred or fewer employees
12 calculated on a full-time-equivalent basis in the taxable
13 year in which the investment was made; and

14 (f) has not had gross revenues in
15 excess of five million dollars (\$5,000,000) in any fiscal
16 year ending on or before the date of the investment;

17 (7) "qualified investment" means a cash
18 investment in a qualified business for equity, but does not
19 include an investment by a taxpayer if the taxpayer, a
20 member of the taxpayer's immediate family or an entity
21 affiliated with the taxpayer receives compensation from the
22 qualified business in exchange for services provided to the
23 qualified business within one year of investment in the
24 qualified business; and

25 (8) "qualified research" means "qualified

1 research" as defined by Section 41 of the Internal Revenue
2 Code."

3 SECTION 3. A new section of the Income Tax Act is
4 enacted to read:

5 "DEDUCTION--UNREIMBURSED OR UNCOMPENSATED MEDICAL
6 CARE EXPENSES.--

7 A. Prior to January 1, 2025, a taxpayer may
8 claim a deduction from net income in an amount determined
9 pursuant to Subsection B of this section for medical care
10 expenses paid during the taxable year for medical care of
11 the taxpayer, the taxpayer's spouse or a dependent if the
12 expenses are not reimbursed or compensated for by insurance
13 or otherwise and have not been included in the taxpayer's
14 itemized deductions, as defined in Section 63 of the
15 Internal Revenue Code, for the taxable year.

16 B. The deduction provided in Subsection A of
17 this section may be claimed in an amount equal to the
18 following percentage of medical care expenses paid during
19 the taxable year based on the taxpayer's filing status and
20 adjusted gross income as follows:

21 (1) for surviving spouses and married
22 individuals filing joint returns:

23 If adjusted gross income is:	The following percent
24 of	medical care expenses
25	paid may be deducted:

1	Not over \$30,000	25 percent
2	More than \$30,000 but not more than	
3	\$70,000	15 percent
4	Over \$70,000	10 percent;
5	(2) for single individuals and married	
6	individuals filing separate returns:	
7	If adjusted gross income is:	The following percent
8	of	medical care expenses
9		paid may be deducted:
10	Not over \$15,000	25 percent
11	More than \$15,000 but not more than	
12	\$35,000	15 percent
13	Over \$35,000	10 percent; and
14	(3) for heads of household:	
15	If adjusted gross income is:	The following percent
16	of	medical care expenses
17		paid may be deducted:
18	Not over \$20,000	25 percent
19	More than \$20,000 but not more than	
20	\$50,000	15 percent
21	Over \$50,000	10 percent.

22 C. As used in this section:

23 (1) "dependent" means "dependent" as

24 defined in Section 152 of the Internal Revenue Code;

25 (2) "health care facility" means a

1 hospital, outpatient facility, diagnostic and treatment
2 center, rehabilitation center, free-standing hospice or
3 other similar facility at which medical care is provided;

4 (3) "medical care" means the diagnosis,
5 cure, mitigation, treatment or prevention of disease or for
6 the purpose of affecting any structure or function of the
7 body;

8 (4) "medical care expenses" means amounts
9 paid for:

10 (a) the diagnosis, cure, mitigation,
11 treatment or prevention of disease or for the purpose of
12 affecting any structure or function of the body, excluding
13 cosmetic surgery, if provided by a physician or in a health
14 care facility;

15 (b) prescribed drugs or insulin;

16 (c) qualified long-term care services
17 as defined in Section 7702B(c) of the Internal Revenue Code;

18 (d) insurance covering medical care,
19 including amounts paid as premiums under Part B of Title 18
20 of the Social Security Act or for a qualified long-term care
21 insurance contract defined in Section 7702B(b) of the
22 Internal Revenue Code, if the insurance or other amount is
23 paid from income included in the taxpayer's adjusted gross
24 income for the taxable year;

25 (e) nursing services, regardless of

1 where the services are rendered, if provided by a practical
2 nurse or a professional nurse licensed to practice in the
3 state pursuant to the Nursing Practice Act;

4 (f) specialized treatment or the use
5 of special therapeutic devices if the treatment or device is
6 prescribed by a physician and the patient can show that the
7 expense was incurred primarily for the prevention or
8 alleviation of a physical or mental defect or illness; and

9 (g) care in an institution other than
10 a hospital, such as a sanitarium or rest home, if the
11 principal reason for the presence of the person in the
12 institution is to receive the medical care available;
13 provided that if the meals and lodging are furnished as a
14 necessary part of such care, the cost of the meals and
15 lodging are "medical care expenses";

16 (5) "physician" means a medical doctor,
17 osteopathic physician, dentist, podiatrist, chiropractic
18 physician or psychologist licensed or certified to practice
19 in New Mexico; and

20 (6) "prescribed drug" means a drug or
21 biological that requires a prescription of a physician for
22 its use by an individual."

23 SECTION 4. Section 7-2A-9 NMSA 1978 (being Laws 1981,
24 Chapter 37, Section 42, as amended) is amended to read:

25 "7-2A-9. TAXPAYER RETURNS--PAYMENT OF TAX.--

1 A. Every corporation deriving income from any
2 business transaction, property or employment within this
3 state, that is not exempt from tax under the Corporate
4 Income and Franchise Tax Act and that is required by the
5 laws of the United States to file a federal income tax
6 return shall file a complete tax return with the department
7 in form and content as prescribed by the secretary. Except
8 as provided in Subsection C of this section, a corporation
9 that is required by the provisions of the Corporate Income
10 and Franchise Tax Act to file a return or pay a tax shall,
11 on or before the fifteenth day of the third month following
12 the end of each taxable year, file the return and pay the
13 tax levied for that year.

14 B. Every domestic or foreign corporation that is
15 not exempt from tax under the Corporate Income and Franchise
16 Tax Act, that is employed or engaged in the transaction of
17 business in, into or from this state or that derives any
18 income from property or employment within this state and
19 every domestic or foreign corporation, regardless of whether
20 it is engaged in active business, that has or exercises its
21 corporate franchise in this state and that is not exempt
22 from tax under the Corporate Income and Franchise Tax Act
23 shall file a return in the form and content as prescribed by
24 the secretary and pay the tax levied pursuant to Subsection
25 B of Section 7-2A-3 NMSA 1978 in the amount for each

1 corporation as specified in Section 7-2A-5.1 NMSA 1978.
2 Returns and payment of tax for corporate franchise tax for a
3 taxable year shall be filed and paid on the date specified
4 in Subsection A or C of this section for payment of
5 corporate income tax for the preceding taxable year.

6 C. A corporation that is required by the
7 provisions of the Corporate Income and Franchise Tax Act to
8 file a return or pay a tax and that is approved by the
9 department to use electronic media for filing and paying
10 taxes shall, if using electronic media for filing and paying
11 taxes, file the return and pay the tax levied for that
12 taxable year on or before the thirtieth day of the third
13 month following the end of that year."

14 SECTION 5. Section 7-3A-7 NMSA 1978 (being Laws 2003,
15 Chapter 86, Section 10, as amended) is amended to read:

16 "7-3A-7. STATEMENTS OF WITHHOLDING.--

17 A. Every remitter shall:

18 (1) file an annual statement of withholding
19 for each remittee that:

20 (a) is in electronic format and
21 includes a form 1099-Misc or a successor form or on a pro
22 forma 1099-Misc or a successor form for those entities that
23 do not receive an internal revenue service form 1099-Misc;

24 (b) is filed with the department on or
25 before the last day of February of the year following that

1 for which the statement is made; and

2 (c) includes the total oil and gas
3 proceeds paid to the remittee and the total amount of tax
4 withheld for the calendar year; and

5 (2) provide a copy of the annual statement
6 of withholding to the remittee on or before February 15 of
7 the year following the year for which the statement is made.

8 B. The department shall develop and adopt rules
9 regarding the filing of a report pursuant to this section
10 and the attachment of form 1099-Misc or a successor form or
11 a pro forma 1099-Misc or a successor form, if the remitter
12 is not able to file those forms in an electronic format.

13 C. Every remitter shall file an electronic
14 report of the remittees who have certified that the remittee
15 is responsible for filing the remittee's own oil and gas
16 proceeds tax report and for paying the remittee's oil and
17 gas proceeds tax liability due.

18 D. Every pass-through entity doing business in
19 New Mexico shall:

20 (1) file an annual information return with
21 the department that:

22 (a) is filed on or before: 1) the due
23 date of the entity's federal return for the taxable year; or
24 2) if the entity's taxable year is a calendar year, if the
25 entity is approved by the department to use electronic media

1 for filing and if the entity uses electronic media to file
2 the annual information return, the end of the month in which
3 the entity's federal return is due;

4 (b) is signed by the business manager
5 or one of the owners of the pass-through entity; and

6 (c) contains all information required
7 by the department, including the pass-through entity's gross
8 income; the pass-through entity's net income; the amount of
9 each owner's allocable share of the pass-through entity's
10 net income; and the name, address and tax identification
11 number of each owner entitled to an allocable share of net
12 income; and

13 (2) provide to each of its owners
14 sufficient information to enable the owner to comply with
15 the provisions of the Income Tax Act and the Corporate
16 Income and Franchise Tax Act with respect to the owner's
17 allocable share of net income.

18 E. The department shall compile each year the
19 annual statements of withholding received from the remitters
20 and the annual information returns received from pass-
21 through entities and compare the compilations with the
22 records of corporations, individuals, estates or trusts
23 filing income tax returns."

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

1 "7-4-10. APPORTIONMENT OF BUSINESS INCOME.--

2 A. Except as provided in Subsections B and C of
3 this section, all business income shall be apportioned to
4 this state by multiplying the income by a fraction, the
5 numerator of which is the property factor plus the payroll
6 factor plus the sales factor and the denominator of which is
7 three.

8 B. A taxpayer whose principal business activity
9 in New Mexico is manufacturing may elect to have business
10 income apportioned to this state:

11 (1) in the taxable year beginning on or
12 after January 1, 2014 and prior to January 1, 2015, by
13 multiplying the income by a fraction, the numerator of which
14 is twice the sales factor plus the property factor plus the
15 payroll factor and the denominator of which is four;

16 (2) in the taxable year beginning on or
17 after January 1, 2015 and prior to January 1, 2016, by
18 multiplying the income by a fraction, the numerator of which
19 is three multiplied by the sales factor plus the property
20 factor plus the payroll factor and the denominator of which
21 is five;

22 (3) in the taxable year beginning on or
23 after January 1, 2016 and prior to January 1, 2017, by
24 multiplying the income by a fraction, the numerator of which
25 is seven multiplied by the sales factor plus one and one-

1 half multiplied by the property factor plus one and one-half
2 multiplied by the payroll factor and the denominator of
3 which is ten;

4 (4) in the taxable year beginning on or
5 after January 1, 2017 and prior to January 1, 2018, by
6 multiplying the income by a fraction, the numerator of which
7 is eight multiplied by the sales factor plus the property
8 factor plus the payroll factor and the denominator of which
9 is ten; and

10 (5) in taxable years beginning on or after
11 January 1, 2018, by multiplying the income by a fraction,
12 the numerator of which is the total sales of the taxpayer in
13 New Mexico during the taxable year and the denominator of
14 which is the total sales of the taxpayer from any location
15 within or outside of the state during the taxable year.

16 C. A taxpayer whose principal business activity
17 in New Mexico is a headquarters operation may elect to have
18 business income apportioned to this state by multiplying the
19 income by a fraction, the numerator of which is the total
20 sales of the taxpayer in New Mexico during the taxable year
21 and the denominator of which is the total sales of the
22 taxpayer from any location within or outside of the state
23 during the taxable year.

24 D. To elect the method of apportionment provided
25 by Subsection B or C of this section, the taxpayer shall

1 notify the department of the election, in writing, no later
2 than the date on which the taxpayer files the return for the
3 first taxable year to which the election will apply. The
4 election will apply to that taxable year and to each taxable
5 year thereafter until the taxpayer notifies the department,
6 in writing, that the election is terminated, except that the
7 taxpayer shall not terminate the election until the method
8 of apportioning business income provided by Subsection B or
9 C of this section has been used by the taxpayer for at least
10 three consecutive taxable years, including a total of at
11 least thirty-six calendar months. The election will apply
12 to the separately filed return of the taxpayer or the
13 combined or consolidated return the taxpayer has elected to
14 be included pursuant to Section 7-2A-8.3 or 7-2A-8.4 NMSA
15 1978.

16 E. For purposes of this section:

17 (1) "headquarters operation" means:

18 (a) the center of operations of a
19 business: 1) where corporate staff employees are physically
20 employed; 2) where centralized functions are performed,
21 including administrative, planning, managerial, human
22 resources, purchasing, information technology and
23 accounting, but not including operating a call center; 3)
24 the function and purpose of which is to manage and direct
25 most aspects and functions of the business operations within

1 a subdivided area of the United States; 4) from which final
2 authority over regional or subregional offices, operating
3 facilities and any other offices of the business are issued;
4 and 5) including national and regional headquarters if the
5 national headquarters is subordinate only to the ownership
6 of the business or its representatives and the regional
7 headquarters is subordinate to the national headquarters; or

8 (b) the center of operations of a
9 business: 1) the function and purpose of which is to manage
10 and direct most aspects of one or more centralized
11 functions; and 2) from which final authority over one or
12 more centralized functions is issued; and

13 (2) "manufacturing" means combining or
14 processing components or materials to increase their value
15 for sale in the ordinary course of business, but does not
16 include:

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

25 (d) processing natural resources,

1 including hydrocarbons."

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

4 "7-4-17. DETERMINATION OF SALES IN THIS STATE OF
5 TANGIBLE PERSONAL PROPERTY FOR INCLUSION IN SALES FACTOR.--

6 Sales of tangible personal property are in this state if:

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

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

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

16 (2) the taxpayer:
17 (a) is not taxable in the state of the
18 purchaser; and

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

22 SECTION 8. Section 7-9-56.3 NMSA 1978 (being Laws
23 2003, Chapter 232, Section 1, as amended) is amended to
24 read:

25 "7-9-56.3. DEDUCTION--GROSS RECEIPTS--TRADE-SUPPORT

1 COMPANY IN A BORDER ZONE.--

2 A. The receipts of a trade-support company may
3 be deducted from gross receipts if:

4 (1) the trade-support company first locates
5 in New Mexico within twenty miles of a port of entry on
6 New Mexico's border with Mexico on or after July 1, 2003 but
7 before July 1, 2013 or on or after January 1, 2016 but
8 before January 1, 2021;

9 (2) the receipts are received by the
10 company within a five-year period beginning on the date the
11 trade-support company locates in New Mexico and the receipts
12 are derived from its business activities and operations at
13 its border zone location; and

14 (3) the trade-support company employs at
15 least two employees in New Mexico.

16 B. A taxpayer allowed a deduction pursuant to
17 this section shall report the amount of the deduction
18 separately in a manner required by the department.

19 C. The department shall compile an annual report
20 on the deduction created pursuant to this section that shall
21 include the number of taxpayers approved by the department
22 to receive the deduction, the aggregate amount of deductions
23 approved and any other information necessary to evaluate the
24 effectiveness of the deduction. Beginning in 2016 and every
25 four years thereafter that the deduction is in effect, the

1 department shall compile and present the annual reports to
2 the revenue stabilization and tax policy committee and the
3 legislative finance committee with an analysis of the
4 effectiveness and cost of the deduction.

5 D. As used in this section:

6 (1) "employee" means an individual, other
7 than an individual who:

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

17 (b) if the employer is an estate or
18 trust, is a grantor, beneficiary or fiduciary of the estate
19 or trust or is an individual who bears any of the
20 relationships described in Paragraphs (1) through (8) of 26
21 U.S.C. Section 152(a) to a grantor, beneficiary or fiduciary
22 of the estate or trust; or

23 (c) is a dependent, as that term is
24 described in 26 U.S.C. Section 152(a)(9), of the employer,
25 or, if the taxpayer is a corporation, of an individual who

1 owns, directly or indirectly, more than fifty percent in
2 value of the outstanding stock of the corporation or, if the
3 employer is an entity other than a corporation, an
4 individual who owns, directly or indirectly, more than fifty
5 percent of the capital and profits interests in the entity
6 or, if the employer is an estate or trust, of a grantor,
7 beneficiary or fiduciary of the estate or trust;

8 (2) "port of entry" means an international
9 port of entry in New Mexico at which customs services are
10 provided by United States customs and border protection; and

11 (3) "trade-support company" means a customs
12 brokerage firm or a freight forwarder."

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

15 "DEDUCTION--GROSS RECEIPTS TAX--GOODS AND SERVICES FOR
16 THE DEPARTMENT OF DEFENSE RELATED TO DIRECTED ENERGY AND
17 SATELLITES.--

18 A. Prior to January 1, 2021, receipts from the
19 sale by a qualified contractor of qualified research and
20 development services and qualified directed energy and
21 satellite-related inputs may be deducted from gross receipts
22 when sold pursuant to a contract with the United States
23 department of defense.

24 B. The purposes of the deduction allowed in this
25 section are to promote new and sophisticated technology,

1 enhance the viability of directed energy and satellite
2 projects, attract new projects and employers to New Mexico
3 and increase high-technology employment opportunities in
4 New Mexico.

5 C. A taxpayer allowed a deduction pursuant to
6 this section shall report the amount of the deduction
7 separately in a manner required by the department.

8 D. The department shall compile an annual report
9 on the deduction provided by this section that shall include
10 the number of taxpayers that claimed the deduction, the
11 aggregate amount of deductions claimed and any other
12 information necessary to evaluate the effectiveness of the
13 deduction. Beginning in 2017 and each year thereafter that
14 the deduction is in effect, the department and the economic
15 development department shall present the annual report to
16 the revenue stabilization and tax policy committee and the
17 legislative finance committee with an analysis of the
18 effectiveness and cost of the deduction and whether the
19 deduction is performing the purpose for which it was
20 created.

21 E. As used in this section:

22 (1) "directed energy" means a system,
23 including related services, that enables the use of the
24 frequency spectrum, including radio waves, light and x-rays;

25 (2) "inputs" means systems, subsystems,

1 components, prototypes and demonstrators or products and
2 services involving optics, photonics, electronics, advanced
3 materials, nanoelectromechanical and microelectromechanical
4 systems, fabrication materials and test evaluation and
5 computer control systems related to directed energy or
6 satellites;

7 (3) "qualified contractor" means a person
8 other than an organization designated as a national
9 laboratory by act of congress or an operator of national
10 laboratory facilities in New Mexico; provided that the
11 operator may be a qualified contractor with respect to the
12 operator's receipts not connected with operating the
13 national laboratory;

14 (4) "qualified directed energy and
15 satellite-related inputs" means inputs supplied to the
16 department of defense pursuant to a contract with that
17 department entered into on or after January 1, 2016;

18 (5) "qualified research and development
19 services" means research and development services related to
20 directed energy or satellites provided to the department of
21 defense pursuant to a contract with that department entered
22 into on or after January 1, 2016; and

23 (6) "satellite" means composite systems
24 assembled and packaged for use in space, including launch
25 vehicles and related products and services."

1 SECTION 10. Section 7-9F-1 NMSA 1978 (being Laws 2000
2 (2nd S.S.), Chapter 22, Section 1) is amended to read:

3 "7-9F-1. SHORT TITLE.--Chapter 7, Article 9F NMSA 1978
4 may be cited as the "Technology Jobs and Research and
5 Development Tax Credit Act"."

6 SECTION 11. Section 7-9F-2 NMSA 1978 (being Laws 2000
7 (2nd S.S.), Chapter 22, Section 2) is amended to read:

8 "7-9F-2. PURPOSE OF ACT.--It is the purpose of the
9 Technology Jobs and Research and Development Tax Credit Act
10 to provide a favorable tax climate for technology-based
11 businesses engaging in research, development and
12 experimentation and to promote increased employment and
13 higher wages in those fields in New Mexico."

14 SECTION 12. Section 7-9F-3 NMSA 1978 (being Laws 2000
15 (2nd S.S.), Chapter 22, Section 3) is amended to read:

16 "7-9F-3. DEFINITIONS.--As used in the Technology Jobs
17 and Research and Development Tax Credit Act:

18 A. "affiliate" means a person who directly or
19 indirectly owns or controls, is owned or controlled by or is
20 under common ownership or control with another person
21 through ownership of voting securities or other ownership
22 interests representing a majority of the total voting power
23 of the entity;

24 B. "annual payroll expense" means the wages paid
25 or payable to employees in the state by the taxpayer in the

1 taxable year for which the taxpayer applies for an
2 additional credit pursuant to the Technology Jobs and
3 Research and Development Tax Credit Act;

4 C. "base payroll expense" means the wages paid
5 or payable by the taxpayer in the taxable year prior to the
6 taxable year for which the taxpayer applies for an
7 additional credit pursuant to the Technology Jobs and
8 Research and Development Tax Credit Act, adjusted for any
9 increase from the preceding taxable year in the consumer
10 price index for the United States for all items as published
11 by the United States department of labor in the taxable year
12 for which the additional credit is claimed. In a taxable
13 year during which a taxpayer has been part of a business
14 merger or acquisition or other change in business
15 organization, the taxpayer's base payroll expense shall
16 include the payroll expense of all entities included in the
17 reorganization for all positions that are included in the
18 business entity resulting from the reorganization;

19 D. "department" means the taxation and revenue
20 department, the secretary of taxation and revenue or any
21 employee of the department exercising authority lawfully
22 delegated to that employee by the secretary;

23 E. "facility" means a factory, mill, plant,
24 refinery, warehouse, dairy, feedlot, building or complex of
25 buildings located within the state, including the land on

1 which it is located and all machinery, equipment and other
2 real and tangible personal property located at or within it
3 and used in connection with its operation;

4 F. "local option gross receipts tax" means a tax
5 authorized to be imposed by a county or municipality upon
6 the taxpayer's gross receipts, as that term is defined in
7 the Gross Receipts and Compensating Tax Act, and required to
8 be collected by the department at the same time and in the
9 same manner as the gross receipts tax; "local option gross
10 receipts tax" includes the taxes imposed pursuant to the
11 Municipal Local Option Gross Receipts Taxes Act,
12 Supplemental Municipal Gross Receipts Tax Act, County Local
13 Option Gross Receipts Taxes Act, Local Hospital Gross
14 Receipts Tax Act, County Correctional Facility Gross
15 Receipts Tax Act and such other acts as may be enacted
16 authorizing counties or municipalities to impose taxes on
17 gross receipts, which taxes are to be collected by the
18 department in the same time and in the same manner as it
19 collects the gross receipts tax;

20 G. "qualified expenditure" means an expenditure
21 or an allocated portion of an expenditure by a taxpayer in
22 connection with qualified research at a qualified facility,
23 including expenditures for depletable land and rent paid or
24 incurred for land, improvements, the allowable amount paid
25 or incurred to operate or maintain a facility, buildings,

1 equipment, computer software, computer software upgrades,
2 consultants and contractors performing work in New Mexico,
3 payroll, technical books and manuals and test materials, but
4 not including any expenditure on property that is owned by a
5 municipality or county in connection with an industrial
6 revenue bond project, property for which the taxpayer has
7 received any credit pursuant to the Investment Credit Act,
8 property that was owned by the taxpayer or an affiliate
9 before July 3, 2000 or research and development expenditures
10 reimbursed by a person who is not an affiliate of the
11 taxpayer. If a "qualified expenditure" is an allocation of
12 an expenditure, the cost accounting methodology used for the
13 allocation of the expenditure shall be the same cost
14 accounting methodology used by the taxpayer in its other
15 business activities;

16 H. "qualified facility" means a facility in
17 New Mexico at which qualified research is conducted other
18 than a facility operated by a taxpayer for the United States
19 or any agency, department or instrumentality thereof;

20 I. "qualified research" means research:

21 (1) that is undertaken for the purpose of
22 discovering information:

23 (a) that is technological in nature;

24 and

25 (b) the application of which is

1 intended to be useful in the development of a new or
2 improved business component of the taxpayer; and

3 (2) substantially all of the activities of
4 which constitute elements of a process of experimentation
5 related to a new or improved function, performance,
6 reliability or quality, but not related to style, taste or
7 cosmetic or seasonal design factors;

8 J. "qualified research and development small
9 business" means a taxpayer that:

10 (1) employed no more than fifty employees
11 as determined by the number of employees for which the
12 taxpayer was liable for unemployment insurance coverage in
13 the taxable year for which an additional credit is claimed;

14 (2) had total qualified expenditures of no
15 more than five million dollars (\$5,000,000) in the taxable
16 year for which an additional credit is claimed; and

17 (3) did not have more than fifty percent of
18 its voting securities or other equity interest with the
19 right to designate or elect the board of directors or other
20 governing body of the business owned directly or indirectly
21 by another business;

22 K. "rural area" means any area of the state
23 other than the state fairgrounds, an incorporated
24 municipality with a population of thirty thousand or more
25 according to the most recent federal decennial census and

1 any area within three miles of the external boundaries of an
2 incorporated municipality with a population of thirty
3 thousand or more according to the most recent federal
4 decennial census;

5 L. "taxpayer" means any of the following
6 persons, other than a federal, state or other governmental
7 unit or subdivision or an agency, department, institution or
8 instrumentality thereof:

9 (1) a person liable for payment of any tax;

10 (2) a person responsible for withholding
11 and payment or collection and payment of any tax;

12 (3) a person to whom an assessment has been
13 made if the assessment remains unabated or the assessed
14 amount has not been paid; or

15 (4) for purposes of the additional credit
16 against the taxpayer's income tax pursuant to the Technology
17 Jobs and Research and Development Tax Credit Act and to the
18 extent of their respective interest in that entity, the
19 shareholders, members, partners or other owners of:

20 (a) a small business corporation that
21 has elected to be treated as an S corporation for federal
22 income tax purposes; or

23 (b) an entity treated as a partnership
24 or disregarded entity for federal income tax purposes; and

25 M. "wages" means remuneration for services

1 performed by an employee in New Mexico for an employer."

2 SECTION 13. Section 7-9F-4 NMSA 1978 (being Laws 2000
3 (2nd S.S.), Chapter 22, Section 4) is amended to read:

4 "7-9F-4. ADMINISTRATION OF ACT.--The department shall
5 administer the Technology Jobs and Research and Development
6 Tax Credit Act pursuant to the Tax Administration Act."

7 SECTION 14. Section 7-9F-5 NMSA 1978 (being Laws 2000
8 (2nd S.S.), Chapter 22, Section 5) is amended to read:

9 "7-9F-5. BASIC CREDIT--ADDITIONAL CREDIT--AMOUNTS--
10 CLAIMANT.--

11 A. The basic credit provided for in the
12 Technology Jobs and Research and Development Tax Credit Act
13 is an amount equal to five percent of the amount of
14 qualified expenditures made by a taxpayer conducting
15 qualified research at a qualified facility.

16 B. The additional credit provided for in the
17 Technology Jobs and Research and Development Tax Credit Act
18 is an amount equal to five percent of the amount of
19 qualified expenditures made by a taxpayer conducting
20 qualified research at a qualified facility."

21 SECTION 15. Section 7-9F-6 NMSA 1978 (being Laws 2000
22 (2nd S.S.), Chapter 22, Section 6) is amended to read:

23 "7-9F-6. ELIGIBILITY REQUIREMENTS.--

24 A. A taxpayer conducting qualified research at a
25 qualified facility and making qualified expenditures is

1 eligible to claim the basic credit pursuant to the
2 Technology Jobs and Research and Development Tax Credit Act.

3
4 B. A taxpayer conducting qualified research at a
5 qualified facility and making qualified expenditures is
6 eligible to claim the additional credit pursuant to the
7 Technology Jobs and Research and Development Tax Credit Act
8 if:

9 (1) the taxpayer increases the taxpayer's
10 annual payroll expense at the qualified facility by at least
11 seventy-five thousand dollars (\$75,000) over the base
12 payroll expense of the taxpayer;

13 (2) the increase in Paragraph (1) of this
14 subsection has not previously been used to meet the
15 requirements of this subsection; and

16 (3) there is at least a seventy-five-
17 thousand-dollar (\$75,000) increase in the taxpayer's annual
18 payroll expense for every one million dollars (\$1,000,000)
19 in qualified expenditures claimed by the taxpayer in a
20 taxable year in the same claim."

21 SECTION 16. Section 7-9F-9 NMSA 1978 (being Laws 2000
22 (2nd S.S.), Chapter 22, Section 9) is amended to read:

23 "7-9F-9. CLAIMING THE BASIC CREDIT.--

24 A. A taxpayer may apply for approval of a credit
25 within one year following the end of the reporting period in

1 which the qualified expenditure was made.

2 B. A taxpayer having applied for and been
3 granted approval for a basic credit by the department
4 pursuant to the Technology Jobs and Research and Development
5 Tax Credit Act may claim the amount of the approved basic
6 credit against the taxpayer's compensating tax, withholding
7 tax or gross receipts tax, excluding local option gross
8 receipts tax, due to the state of New Mexico; provided that
9 no taxpayer may claim an amount of approved basic credit for
10 a reporting period in which the basic credit is being
11 claimed that exceeds the sum of the taxpayer's compensating
12 tax, withholding tax and gross receipts tax, excluding local
13 option gross receipts tax, due for that reporting period.

14 C. Any amount of approved basic credit not
15 claimed against the taxpayer's compensating tax, withholding
16 tax or gross receipts tax, excluding local option gross
17 receipts tax, due may be claimed in subsequent reporting
18 periods for a period of up to three years from the date of
19 the original claim."

20 SECTION 17. A new section of the Technology Jobs and
21 Research and Development Tax Credit Act, Section 7-9F-9.1
22 NMSA 1978, is enacted to read:

23 "7-9F-9.1. CLAIMING THE ADDITIONAL CREDIT.--

24 A. A taxpayer may apply for approval of an
25 additional credit pursuant to the Technology Jobs and

1 Research and Development Tax Credit Act within one year
2 following the end of the taxable year in which the qualified
3 expenditure was made.

4 B. A taxpayer that has applied for and been
5 granted approval for an additional credit by the department
6 pursuant to the Technology Jobs and Research and Development
7 Tax Credit Act may claim the amount of the approved
8 additional credit against the taxpayer's income tax or
9 corporate income tax liability. Except as provided in
10 Subsection C of this section, no taxpayer may claim an
11 amount of approved additional credit for a taxable year in
12 which the additional credit is being claimed that exceeds
13 the amount of the taxpayer's income tax or corporate income
14 tax due for that taxable year.

15 C. If a taxpayer is a qualified research and
16 development small business and the amount of approved
17 additional credit for the taxable year in which the
18 additional credit is being claimed exceeds the taxpayer's
19 income tax liability or corporate income tax liability, the
20 excess shall be refunded to the taxpayer pursuant to
21 Paragraphs (1) through (3) of this subsection. If the
22 taxpayer's total qualified expenditures for the taxable year
23 for which the claim is made is:

24 (1) less than three million dollars
25 (\$3,000,000), the excess additional credit shall be refunded

1 to the taxpayer;

2 (2) greater than or equal to three million
3 dollars (\$3,000,000) and less than four million dollars
4 (\$4,000,000), two-thirds of the excess additional credit
5 shall be refunded to the taxpayer; and

6 (3) greater than or equal to four million
7 dollars (\$4,000,000) and less than or equal to five million
8 dollars (\$5,000,000), one-third of the excess additional
9 credit shall be refunded to the taxpayer.

10 D. Any amount of approved additional credit not
11 claimed against the taxpayer's income tax or corporate
12 income tax due for a taxable year or refunded to the
13 taxpayer may be claimed in subsequent reporting periods for
14 a period of up to three years from the date of the original
15 claim.

16 E. Married individuals filing separate returns
17 for a taxable year for which they could have filed a joint
18 return may each claim only one-half of the additional credit
19 that would have been claimed on a joint return."

20 SECTION 18. A new section of the Technology Jobs and
21 Research and Development Tax Credit Act is enacted to read:

22 "TAXPAYER REPORTING REQUIREMENT.--A taxpayer claiming a
23 credit pursuant to the Technology Jobs and Research and
24 Development Tax Credit Act shall file reports with the
25 department. The reports shall be submitted on or before

1 June 30 of the year following a calendar year in which the
2 taxpayer claims a basic or additional credit and by June 30
3 of each of the two succeeding years. The reports shall
4 contain information describing the taxpayer's business
5 operations in New Mexico that is sufficient for the
6 department to enforce the recapture provision pursuant to
7 Section 7-9F-11 NMSA 1978. If a taxpayer fails to submit a
8 required report, the amount of any basic or additional
9 credit claimed for that year shall be subject to the
10 recapture provision."

11 SECTION 19. Section 7-13-11 NMSA 1978 (being Laws
12 1971, Chapter 207, Section 10, as amended) is amended to
13 read:

14 "7-13-11. CLAIM FOR REFUND OR CREDIT OF GASOLINE TAX
15 PAID--ON GASOLINE DESTROYED BY FIRE, ACCIDENT OR ACTS OF GOD
16 BEFORE RETAIL SALE--ON GASOLINE PREVIOUSLY RECEIVED FROM A
17 SOURCE OTHER THAN A REFINER OR PIPELINE TERMINAL.--

18 A. Upon the submission of proof satisfactory to
19 the department, the department shall allow a claim for
20 refund or credit as provided in Sections 7-1-26 and 7-1-29
21 NMSA 1978 for tax paid on gasoline destroyed by fire,
22 accident or acts of God while in the possession of a
23 distributor, wholesaler or retailer.

24 B. Upon the submission of proof satisfactory to
25 the department, a rack operator may submit, and the

1 department may allow, a claim for refund of a New Mexico tax
2 paid on gasoline previously received in New Mexico from a
3 source other than a refiner or pipeline terminal in this
4 state and placed in a terminal from which it will be loaded
5 into tank cars, tank trucks, tank wagons or other types of
6 transportation equipment.

7 C. No person may submit claims for refund
8 pursuant to the provisions of this section more frequently
9 than quarterly. No claim for refund may be submitted or
10 allowed on less than one hundred gallons.

11 D. The department may prescribe the documents
12 necessary to support a claim for refund pursuant to the
13 provisions of this section."

14 SECTION 20. A new section of the Petroleum Products
15 Loading Fee Act is enacted to read:

16 "CLAIM FOR REFUND OF PETROLEUM PRODUCTS LOADING FEE ON
17 PRODUCTS PREVIOUSLY LOADED FROM A SOURCE OTHER THAN A
18 REFINER OR PIPELINE TERMINAL.--

19 A. Upon the submission of proof satisfactory to
20 the department, a distributor may claim, and the department
21 may allow, a claim for refund of the petroleum products
22 loading fee paid on petroleum products previously loaded in
23 New Mexico from a source other than a refiner or pipeline
24 terminal in this state and placed in a terminal from which
25 it will be loaded into tank cars, tank trucks, tank wagons

1 or other types of transportation equipment.

2 B. No person may submit claims for refund
3 pursuant to this section more frequently than quarterly. No
4 claim for refund may be submitted or allowed on less than
5 one hundred gallons.

6 C. The department may prescribe the documents
7 necessary to support a claim for refund pursuant to the
8 provisions of this section."

9 SECTION 21. Section 7-16A-13 NMSA 1978 (being Laws
10 1992, Chapter 51, Section 13) is amended to read:

11 "7-16A-13. CLAIM FOR REFUND OR CREDIT OF SPECIAL FUEL
12 EXCISE TAX PAID--ON SPECIAL FUEL DESTROYED BY FIRE, ACCIDENT
13 OR ACTS OF GOD BEFORE RETAIL SALE--ON SPECIAL FUEL
14 PREVIOUSLY RECEIVED FROM A SOURCE OTHER THAN A REFINER OR
15 PIPELINE TERMINAL.--

16 A. Upon the submission of proof satisfactory to
17 the department, the department shall allow a claim for
18 refund or credit of any special fuel excise tax or special
19 fuel inventory tax paid on special fuel destroyed by fire,
20 accident or acts of God while in the possession of a
21 supplier, bulk storage user or dealer.

22 B. Upon the submission of proof satisfactory to
23 the department, a rack operator may submit, and the
24 department may allow, a claim for refund of a New Mexico tax
25 paid on special fuel previously received in New Mexico from

1 a source other than a refiner or pipeline terminal in this
2 state and placed in a terminal from which it will be loaded
3 into tank cars, tank trucks, tank wagons or other types of
4 transportation equipment.

5 C. No person may submit claims for refund
6 pursuant to the provisions of this section more frequently
7 than quarterly. No claim for refund may be submitted or
8 allowed on less than one hundred gallons.

9 D. The department may prescribe the documents
10 necessary to support a claim for refund pursuant to the
11 provisions of this section."

12 SECTION 22. TEMPORARY PROVISION--TRANSITION OF THE
13 RESEARCH AND DEVELOPMENT SMALL BUSINESS TAX CREDIT.--

14 A taxpayer that becomes eligible for a research and
15 development small business tax credit prior to January 1,
16 2016 but has not claimed the credit prior to January 1, 2016
17 may claim the credit in accordance with the provisions of
18 the Research and Development Small Business Tax Credit Act
19 in effect immediately prior to January 1, 2016. The
20 taxation and revenue department shall approve claims
21 submitted but not
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1 approved prior to January 1, 2016 if the claim meets the
2 requirements of the Research and Development Small Business
3 Tax Credit Act in effect immediately prior to January 1,
4 2016. Claiming the research and development small business
5 tax credit pursuant to this section with respect to a
6 reporting period renders the taxpayer ineligible to claim a
7 credit for the same reporting period pursuant to the
8 Technology Jobs and Research and Development Tax Credit Act.

9 SECTION 23. TEMPORARY PROVISION--TRANSFER OF REFERENCE
10 OF LAW.--On and after January 1, 2016, references in law to
11 the Technology Jobs Tax Credit Act shall be deemed to be
12 references to the Technology Jobs and Research and
13 Development Tax Credit Act.

14 SECTION 24. REPEAL.--Sections 7-9F-7 and 7-9H-1
15 through 7-9H-6 NMSA 1978 (being Laws 2000 (2nd S.S.),
16 Chapter 22, Section 7 and Laws 2005, Chapter 104, Sections
17 11 through 16, as amended) are repealed.

18 SECTION 25. APPLICABILITY.--

19 A. The provisions of Sections 2 through 7 and 17
20 of this act apply to taxable years beginning on or after
21 January 1, 2015.

22 B. The provisions of Sections 10 through 18 of
23 this act apply to taxpayers that make a qualified
24 expenditure beginning on or after January 1, 2015.

25 SECTION 26. EFFECTIVE DATE.--The effective date of the

1 provisions of Sections 8 through 24 of this act is

2 January 1, 2016. _____

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