

1 SENATE BILL 448

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Gerald Ortiz y Pino

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10 AN ACT

11 RELATING TO TAXATION; REPEALING CERTAIN HEALTH CARE INDUSTRY
12 EXEMPTIONS FROM THE GROSS RECEIPTS TAX; CREATING THE MEDICAID
13 TRUST FUND; MAKING AN APPROPRIATION.

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 7-1-6.38 NMSA 1978 (being Laws 1994,
17 Chapter 145, Section 1, as amended) is amended to read:

18 "7-1-6.38. DISTRIBUTION--GOVERNMENTAL GROSS RECEIPTS
19 TAX.--

20 A. A distribution pursuant to Section 7-1-6.1 NMSA
21 1978 shall be made in amounts equal to the following
22 percentages of the net receipts attributable to the
23 governmental gross receipts tax, less the net receipts
24 attributable to an entity licensed by the department of health
25 that is principally engaged in providing health care services:

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1 (1) seventy-five percent to the public project
2 revolving fund administered by the New Mexico finance
3 authority; [~~in an amount equal to seventy-five percent of the~~
4 ~~net receipts attributable to the governmental gross receipts~~
5 ~~tax.~~

6 B. ~~A distribution pursuant to Section 7-1-6.1 NMSA~~
7 ~~1978 shall be made]~~

8 (2) twenty-four percent to the energy,
9 minerals and natural resources department [~~in an amount equal~~
10 ~~to twenty-four percent of the net receipts attributable to the~~
11 ~~governmental gross receipts tax]; provided that forty-one and
12 two-thirds percent of the distribution is appropriated to the
13 energy, minerals and natural resources department to implement
14 the provisions of the New Mexico Youth Conservation Corps Act
15 and fifty-eight and one-third percent of the distribution is
16 appropriated to the energy, minerals and natural resources
17 department for state park and recreation area capital
18 improvements, including the costs of planning, engineering,
19 design, construction, renovation, repair, equipment and
20 furnishings; and~~

21 [G. ~~A distribution pursuant to Section 7-1-6.1 NMSA~~
22 ~~1978 shall be made]~~

23 (3) one percent to the [~~office of~~] cultural
24 affairs [~~in an amount equal to one percent of the net receipts~~
25 ~~attributable to the governmental gross receipts tax]~~ department

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1 for capital improvements at state museums and monuments
2 administered by the [~~office of~~] cultural affairs department.

3 [~~D.~~] B. The state pledges to and agrees with the
4 holders of any bonds or notes issued by the New Mexico finance
5 authority or by the energy, minerals and natural resources
6 department and payable from the net receipts attributable to
7 the governmental gross receipts tax distributed to the New
8 Mexico finance authority or the energy, minerals and natural
9 resources department pursuant to this section that the state
10 will not limit, reduce or alter the distribution of the net
11 receipts attributable to the governmental gross receipts tax to
12 the New Mexico finance authority or the energy, minerals and
13 natural resources department or limit, reduce or alter the rate
14 of imposition of the governmental gross receipts tax until the
15 bonds or notes together with the interest thereon are fully met
16 and discharged. The New Mexico finance authority and the
17 energy, minerals and natural resources department are
18 authorized to include this pledge and agreement of the state in
19 any agreement with the holders of the bonds or notes."

20 **SECTION 2.** Section 7-9-4.3 NMSA 1978 (being Laws 1991,
21 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,
22 Section 1 and by Laws 1993, Chapter 352, Section 1) is amended
23 to read:

24 "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
25 "GOVERNMENTAL GROSS RECEIPTS TAX"--For the privilege of

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1 engaging in certain activities by governments, there is imposed
2 on every agency, institution, instrumentality or political
3 subdivision of the state, except any school district [~~and any~~
4 ~~entity licensed by the department of health that is principally~~
5 ~~engaged in providing health care services~~], an excise tax of
6 five percent of governmental gross receipts. The tax imposed
7 by this section shall be referred to as the "governmental gross
8 receipts tax".

9 SECTION 3. Section 7-9-29 NMSA 1978 (being Laws 1970,
10 Chapter 12, Section 3, as amended) is amended to read:

11 "7-9-29. EXEMPTION--GROSS RECEIPTS TAX--CERTAIN
12 ORGANIZATIONS.--

13 A. Exempted from the gross receipts tax are the
14 receipts of organizations, except an entity licensed by the
15 department of health that is principally engaged in providing
16 health care services, that demonstrate to the department that
17 they have been granted exemption from the federal income tax by
18 the United States commissioner of internal revenue as
19 organizations described in Section 501(c)(3) of the United
20 States Internal Revenue Code of [~~1954~~] 1986, as that section
21 may be amended or renumbered.

22 B. Exempted from the gross receipts tax are the
23 receipts from carrying on chamber of commerce, visitor bureau
24 and convention bureau functions of organizations that
25 demonstrate to the department that they have been granted

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1 exemption from the federal income tax by the United States
2 commissioner of internal revenue as organizations described in
3 Section 501(c)(6) of the United States Internal Revenue Code of
4 [~~1954~~] 1986, as that section may be amended or renumbered.

5 C. This section does not apply to receipts derived
6 from an unrelated trade or business as defined in Section 513
7 of the United States Internal Revenue Code of [~~1954~~] 1986, as
8 that section may be amended or renumbered."

9 SECTION 4. A new section of the Statewide Health Care Act
10 is enacted to read:

11 "[NEW MATERIAL] MEDICAID TRUST FUND CREATED--USE--
12 APPROPRIATION BY LEGISLATURE.--The "medicaid trust fund" is
13 created in the state treasury. The fund shall consist of
14 distributions, appropriations, gifts, grants, donations and
15 bequests made to the fund. All income earned on investment of
16 the fund shall be credited to the fund, and money in the fund
17 shall not revert to any other fund at the end of a fiscal year.
18 Money in the fund may be appropriated by the legislature only
19 to support the state medicaid program."

20 SECTION 5. A new section of the Tax Administration Act is
21 enacted to read:

22 "[NEW MATERIAL] DISTRIBUTION--MEDICAID TRUST FUND FROM
23 GROSS RECEIPTS TAX.--A distribution pursuant to Section 7-1-6.1
24 NMSA 1978 shall be made to the medicaid trust fund in an amount
25 equal to two and four-tenths percent of the net receipts

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1 attributable to the gross receipts tax."

2 SECTION 6. REPEAL.--Sections 7-9-73.1 and 7-9-96.1 NMSA
3 1978 (being Laws 1991, Chapter 8, Section 3 and Laws 2007,
4 Chapter 361, Section 7, as amended) are repealed.

5 SECTION 7. EFFECTIVE DATE.--The effective date of the
6 provisions of this act is July 1, 2017.