

HOUSE BILL 513

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION FOR OUTDOOR WATER CONSERVATION PRODUCTS THAT ARE PURCHASED DURING A SPECIFIC TIME PERIOD.

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

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

"~~[NEW MATERIAL]~~ DEDUCTION--GROSS RECEIPTS TAX--SALES OF WATER-SAVING TANGIBLE PERSONAL PROPERTY--LIMITED PERIOD.--

A. Prior to July 1, 2020, receipts from the sale at retail of water-saving tangible personal property may be deducted from gross receipts if the sale occurs during the period beginning at midnight on March 1 and ending at midnight on March 8.

B. A taxpayer allowed a deduction pursuant to this

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1 section shall report the amount of the deduction separately in
2 a manner required by the department.

3 C. The department shall compile an annual report on
4 the deduction provided by this section that includes the number
5 of taxpayers that claimed the deduction, the aggregate amount
6 of deductions claimed and any other information necessary to
7 evaluate the effectiveness of the deduction. The department
8 shall present the report to the revenue stabilization and tax
9 policy committee and the legislative finance committee with an
10 analysis of the cost and benefit to the state of the deduction.

11 D. For the purposes of this section, "water-saving
12 tangible personal property":

13 (1) means products:

14 (a) intended for use on private, shared
15 or communal property and not intended for business use, trade
16 or resale; and

17 (b) whose use or planting in outdoor
18 residential properties may result in: 1) water conservation or
19 ground water retention; 2) water table recharge; or 3) a
20 decrease in ambient air temperature that limits water
21 evaporation; and

22 (2) includes:

23 (a) drought-tolerant live plants, turf
24 and grass;

25 (b) moisture controls for sprinkler or

.212799.4

underscoring material = new
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1 irrigation systems;

2 (c) rain barrels and alternative rain
3 and moisture collection systems;

4 (d) permeable ground cover surfaces that
5 allow water to reach underground basins, aquifers or water
6 collection points;

7 (e) plant and grass seeds coated with
8 water-saving surfactants; and

9 (f) water-saving surfactants."

10 SECTION 2. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2019.