

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 145

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Javier Martínez

ENDORSED BY THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; CREATING THE MAIN STREET FIRE SUPPRESSION
EQUIPMENT TAX CREDIT; CREATING THE MAIN STREET FIRE SUPPRESSION
EQUIPMENT TAX CREDIT FUND; MAKING A DISTRIBUTION TO THE MAIN
STREET FIRE SUPPRESSION EQUIPMENT TAX CREDIT FUND.

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

SECTION 1. A new section of Chapter 7, Article 9G NMSA
1978 is enacted to read:

"[NEW MATERIAL] MAIN STREET FIRE SUPPRESSION EQUIPMENT TAX
CREDIT--MAIN STREET FIRE SUPPRESSION EQUIPMENT TAX CREDIT
FUND.--

A. A taxpayer that purchases and installs qualified
fire suppression equipment on or after July 1, 2020 for a
qualified main street business may apply for, and the taxation
and revenue department may allow, a tax credit against the

.215941.2SA

underscored material = new
~~[bracketed material] = delete~~

underscoring material = new
~~[bracketed material] = delete~~

1 taxpayer's modified combined tax liability; provided that the
2 installation of the qualified fire suppression equipment is
3 certified by the state fire marshal. The tax credit provided
4 by this section may be referred to as the "main street fire
5 suppression equipment tax credit".

6 B. The "main street fire suppression equipment tax
7 credit fund" is created as a nonreverting fund in the state
8 treasury. Money in the fund consists of distributions,
9 appropriations, gifts, grants, donations and income from
10 investment of the fund. The taxation and revenue department
11 shall administer the fund, and money in the fund shall be used
12 to offset main street fire suppression equipment tax credits;
13 provided that money in the fund is subject to appropriation by
14 the legislature for any purpose. Main street fire suppression
15 equipment tax credits shall not be credited against any other
16 fund. If the taxation and revenue department approves a main
17 street fire suppression equipment tax credit, the amount of the
18 credit shall be transferred from the fund to the general fund.
19 Disbursements from the main street fire suppression equipment
20 tax credit fund shall be made upon warrants drawn by the
21 secretary of finance and administration pursuant to vouchers
22 signed by the secretary of taxation and revenue.

23 C. Subject to the availability of funds in the main
24 street fire suppression equipment tax credit fund, the amount
25 of a main street fire suppression equipment tax credit shall

.215941.2SA

underscoring material = new
[bracketed material] = delete

1 equal fifty percent of the amount of the cost to purchase and
2 install qualified fire suppression equipment, not to exceed
3 fifty thousand dollars (\$50,000) per qualified main street
4 business.

5 D. A taxpayer may claim a main street fire
6 suppression equipment tax credit for the taxable period in
7 which the installation of qualified fire suppression equipment
8 is completed. That portion of a main street fire suppression
9 equipment tax credit that exceeds a taxpayer's modified
10 combined tax liability in the taxable period in which the
11 credit is claimed may be carried forward to succeeding taxable
12 periods for five consecutive years.

13 E. To receive a main street fire suppression
14 equipment tax credit, a taxpayer shall apply to the taxation
15 and revenue department on forms and in the manner required by
16 that department. The application shall include the
17 certification from the economic development department that the
18 business is a qualified main street business, an itemization of
19 the qualified fire suppression equipment and certification from
20 the state fire marshal of the installation of the qualified
21 fire suppression equipment.

22 F. Prior to applying for a main street fire
23 suppression equipment tax credit, a taxpayer shall apply to the
24 economic development department for certification as a
25 qualified main street business.

.215941.2SA

underscoring material = new
~~[bracketed material] = delete~~

1 G. A taxpayer shall not claim a main street fire
2 suppression equipment tax credit for costs for which the
3 qualified main street business received funds from any
4 governmental source.

5 H. A taxpayer allowed a tax credit pursuant to this
6 section shall report the amount of the credit to the taxation
7 and revenue department in a manner required by the department.

8 I. The taxation and revenue department shall
9 compile an annual report on the main street fire suppression
10 equipment tax credit that shall include the number of taxpayers
11 approved by the department to receive the credit, the aggregate
12 amount of credits approved and any other information necessary
13 to evaluate the cost of the credit. The department shall
14 present the annual report to the revenue stabilization and tax
15 policy committee and the legislative finance committee with an
16 analysis of the cost of the tax credit.

17 J. As used in this section:

18 (1) "modified combined tax liability" means
19 the total liability for the reporting period for the gross
20 receipts tax imposed by Section 7-9-4 NMSA 1978 together with
21 any tax collected at the same time and in the same manner as
22 the gross receipts tax, such as the compensating tax, the
23 withholding tax, the interstate telecommunications gross
24 receipts tax, the surcharges imposed by Section 63-9D-5 NMSA
25 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978,

.215941.2SA

underscoring material = new
~~[bracketed material] = delete~~

1 minus the amount of any credit other than the main street fire
2 suppression equipment tax credit applied against any or all of
3 these taxes or surcharges; but "modified combined tax
4 liability" excludes all amounts collected with respect to local
5 option gross receipts and compensating taxes;

6 (2) "qualified fire suppression equipment"
7 means equipment necessary to install a fire suppression system
8 certified by the state fire marshal, as determined by the
9 taxation and revenue department by rule; and

10 (3) "qualified main street business" means a
11 business located in a class B county and within the designated
12 boundaries of:

13 (a) a main street program pursuant to
14 the Main Street Act; or

15 (b) an arts and cultural district
16 pursuant to the Arts and Cultural District Act."

17 **SECTION 2. TEMPORARY PROVISION--DISTRIBUTION TO MAIN**
18 **STREET FIRE SUPPRESSION EQUIPMENT TAX CREDIT FUND.--**Prior to
19 July 1, 2020, a one-time distribution pursuant to Section
20 7-1-6.1 NMSA 1978 shall be made to the main street fire
21 suppression equipment tax credit fund in an amount equal to one
22 million dollars (\$1,000,000) of the net receipts attributable
23 to the gross receipts tax.

24 **SECTION 3. EFFECTIVE DATE.--**The effective date of the
25 provisions of Section 1 of this act is July 1, 2020.

.215941.2SA