SENATE BILL 17

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; CREATING GROSS RECEIPTS AND COMPENSATING TAX DEDUCTIONS FOR BROADBAND TELECOMMUNICATIONS NETWORK FACILITIES COMPONENTS.

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 AND COMPENSATING TAX--BROADBAND TELECOMMUNICATIONS NETWORK FACILITIES COMPONENTS.--

A. Before July 1, 2025, the value of broadband telecommunications network facilities components may be deducted in computing compensating tax due.

B. Before July 1, 2025, receipts from the sale or lease of broadband telecommunications network facilities

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components may be deducted from gross receipts.

C. The purpose of the deductions provided by this section is to promote the deployment of broadband telecommunications services in New Mexico.

D. A taxpayer allowed a deduction provided by this section shall report the amount of the deduction separately and as required by the department.

E. The department shall compile an annual report on the deductions provided by this section that includes the number of taxpayers that claimed the deduction, the aggregate amount of deductions claimed and any other information necessary to evaluate the effectiveness of the deductions. The department shall present the annual report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the effectiveness and cost of the deductions and whether they are performing the purpose for which they were created.

F. As used in this section, "broadband telecommunications network facilities" means the switching equipment, transmission facilities, fiber-optic and copper cables and other items related to a system capable of transmitting internet protocol or other formatted data at transmission speeds that meet federal communications commission connect America fund standards, all of which will be owned or used by a provider of internet access services."
SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2020.