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SENATE BILL 118

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

Harold Pope

AN ACT

RELATING TO TAXATION; INCREASING THE SALE PRICE LIMITS IN THE
BACK-TO-SCHOOL GROSS RECEIPTS TAX DEDUCTION BY FIFTY PERCENT.

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

SECTION 1. Section 7-9-95 NMSA 1978 (being Laws 2005,
Chapter 104, Section 25, as amended) is amended to read:

"7-9-95. DEDUCTION--GROSS RECEIPTS TAX--SALES OF CERTAIN
TANGIBLE PERSONAL PROPERTY--LIMITED PERIOD.--Receipts from the
sale at retail of the following types of tangible personal
property may be deducted if the sale of the property occurs
during the period beginning at 12:01 a.m. on the last Friday in
July and ending at midnight on the following Sunday:

A. an article of clothing or footwear designed to
be worn on or about the human body if the sales price of the
article is less than [~~one hundred dollars (\$100)~~] one hundred

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1 fifty dollars (\$150) except:

2 (1) any special clothing or footwear that is
3 primarily designed for athletic activity or protective use and
4 that is not normally worn except when used for the athletic
5 activity or protective use for which it is designed; and

6 (2) accessories, including jewelry, handbags,
7 luggage, umbrellas, wallets, watches and similar items worn or
8 carried on or about the human body, without regard to whether
9 worn on the body in a manner characteristic of clothing;

10 B. a desktop, laptop or notebook computer if the
11 sales price of the computer does not exceed [~~one thousand~~
12 ~~dollars (\$1,000)~~] one thousand five hundred dollars (\$1,500)
13 and any associated monitor, speaker or set of speakers,
14 printer, keyboard, microphone or mouse if the sales price of
15 the device does not exceed [~~five hundred dollars (\$500)~~] seven
16 hundred fifty dollars (\$750); and

17 C. school supplies that are items normally used by
18 students in a standard classroom for educational purposes,
19 including notebooks, paper, writing instruments, crayons, art
20 supplies, rulers, book bags, backpacks, handheld calculators,
21 maps and globes, but not including watches, radios, compact
22 disc players, headphones, sporting equipment, portable or
23 desktop telephones, copiers, office equipment, furniture or
24 fixtures."

25 SECTION 2. EFFECTIVE DATE.--The effective date of the

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provisions of this act is July 1, 2026.

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