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SENATE BILL 774

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

TIMOTHY Z. JENNINGS

AN ACT

RELATING TO TAXATION; INCREASING THE GROSS RECEIPTS TAX FOR THE
PURPOSE OF LEVERAGING IN-STATE TAX REVENUE TO BETTER ADDRESS THE
HEALTH CARE NEEDS OF THE STATE; CREATING THE STATE MEDICAID
PROGRAM FUND; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978;
DECLARING AN EMERGENCY.

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

Section 1. A new section of the Tax Administration Act is
enacted to read:

"~~[NEW MATERIAL]~~ DISTRIBUTION--STATE MEDICAID PROGRAM FUND
FROM GROSS RECEIPTS TAX. --A distribution pursuant to Section
7-1-6.1 NMSA 1978 shall be made to the state medicaid program
fund in an amount equal to four and seventy-six hundredths
percent of the net receipts attributable to the gross receipts
tax, exclusive of penalties or interest, collected pursuant to

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1 the Gross Receipts and Compensating Tax Act. "

2 Section 2. [NEW MATERIAL] STATE MEDICAID PROGRAM FUND
3 CREATED-- PURPOSE. --

4 A. There is created in the state treasury the "state
5 medicaid program fund". The fund shall be invested by the state
6 treasurer as other state funds are invested. Income earned from
7 investment of the fund shall be credited to the state medicaid
8 program fund. The fund shall not revert in any fiscal year.

9 B. The purpose of the state medicaid program fund is
10 to leverage in-state tax revenues to better address the state's
11 health care needs. The state medicaid program fund will be used
12 to accomplish this purpose by using in-state tax revenues to
13 support the state medicaid program and provide more access to
14 health care by maximizing the use of existing in-state revenues
15 and developing effective ways of drawing upon potential federal
16 revenue sources.

17 Section 3. Section 7-9-4 NMSA 1978 (being Laws 1966,
18 Chapter 47, Section 4, as amended) is amended to read:

19 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS "GROSS
20 RECEIPTS TAX". --

21 A. For the privilege of engaging in business, an
22 excise tax equal to five and one-fourth percent of gross
23 receipts is imposed on any person engaging in business in New
24 Mexico.

25 B. The tax imposed by this section shall be referred

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to as the "gross receipts tax". "

Section 4. EFFECTIVE DATE. --The effective date of the provisions of this act is July 1, 1996.

Section 5. EMERGENCY. --It is necessary for the public peace, health and safety that this act take effect immediately.

1 FORTY- SECOND LEGI SLATURE
2 SECOND SESSI ON, 1996
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5 JANUARY 31, 1996
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7 Mr. Presi dent:
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9 Your COMMI TTEES' COMMI TTEE, to whom has been referred
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11 SENATE BILL 774
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13 has had it under consideration and finds same to be GERMANE, PURSUANT
14 TO CONSTITUTIONAL PROVISIONS, and thence referred to the WAYS AND
15 MEANS COMMI TTEE.
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17 Respectfully submi tted,
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23 SENATOR MANNY M. ARAGON, Chai rman
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Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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