HOUSE BILL 49

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

BEN LUJAN

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; EXTENDING CERTAIN PROVISIONS OF THE
INVESTMENT CREDIT ACT.

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

Section 1. Laws 1990, Chapter 3, Section 10, as amended by
Laws 1992, Chapter 17, Section 1 and also by Laws 1992, Chapter
104, Section 1, is amended to read:

"Section 10. EFFECTIVE DATE.--

A. The effective date of the provisions of Sections
1, 2, 4, 5, 7 and 9 of this act is January 1, 1991.

B. The effective date of the provisions of Sections
6 and 8 of this act is January 1, [1998] 2000."

.113560.1

State of New Mexico
House of Representatives

FORTY-THIRD LEGISLATURE

FIRST SESSION, 1997

February 26, 1997

Mr. Speaker:

Your **TAXATION AND REVENUE COMMITTEE,** to whom has been referred

HOUSE BILL 49

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 11, after "EXTENDING" insert "AND CHANGING".

2. On page 1, between lines 14 and 15, insert the following sections:

"Section 1. Section 7-9A-8 NMSA 1978 (being Laws 1979, Chapter 347, Section 8, as amended) is amended to read:

"7-9A-8. CLAIMING THE CREDIT FOR CERTAIN TAXES.--

1

2   A.   A taxpayer shall apply for approval for a credit

3   within one year following the end of the calendar year in which

4   the qualified equipment for the manufacturing operation is

5   purchased or introduced into New Mexico.

6   B.   A taxpayer having applied for and been granted

7   approval for a credit by the department pursuant to the Investment

8   Credit Act may claim an amount of available credit against the

9   taxpayer's compensating tax, gross receipts tax or withholding tax

10 due to the state of New Mexico, [B. A taxpayer having applied for

11 and been granted approval for an investment credit pursuant to the

12 Investment Credit Act may claim a refund of an amount of

13 available credit upon evidence satisfactory to the secretary of

14 taxation and revenue that an element of the price denominated a

15 gross receipts tax has been paid on the purchase of tangible

16 personal property for the manufacturing operation or on the

17 purchase of construction services used in connection with

18 qualified equipment or that compensating tax has been paid and not

19 refunded on the value of the qualified equipment for which the

20 credit was approved] provided that no taxpayer may claim an amount

21 of available credit for any reporting period that exceeds eighty-

22 five percent of the sum of the taxpayer's gross receipts tax,

23 compensating tax and withholding tax due for that reporting

24 period. Any amount of available credit not claimed against the

25 taxpayer's gross receipts tax, compensating tax or withholding tax

due for a reporting period may be claimed in subsequent reporting

periods."

Underscored material = new
[bracketed material] = delete

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2   Section 2.   A new section of the Investment Credit Act is

3 enacted to read:

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5   "[NEW MATERIAL]   TRANSITION PROVISIONS.--

6   A. The provisions of this section apply on the date

7 that changes to the provisions in the Investment Credit Act become

8 effective limiting the amount of qualified equipment that may be

9 claimed and increasing the employment requirements with respect to

10 qualified equipment.

11

12   B.   The amount of any available credit unclaimed on the

13 effective date of the changes described in Subsection A of this

14 section may be claimed, until exhausted, in accordance with the

15 provisions of Section 7-9A-8 NMSA 1978 immediately prior to the

16 effective date of the changes described in Subsection A of this

    section.

17

18   C.   After the effective date described in Subsection A

19 of this section, the department shall approve claims submitted

20 prior to that effective date but not approved by that effective

21 date if the claim meets the requirements of the Investment Credit

22 Act in effect immediately prior to that effective date.   The

23 claimant may claim the amount of any available credit so approved

24 in accordance with the provisions of Section 7-9A-8 NMSA 1978

25 immediately prior to the effective date of the event described in

    Subsection A of this section.

1

2   D.   After the effective date of the changes described
3   in Subsection A of this section, a claimant may submit and the
4   department shall approve claims submitted on or after that
5   effective date if the claim is with respect to qualified equipment
6   located in the state prior to that effective date that otherwise
7   meets the requirements of the Investment Credit Act in effect
8   immediately prior to that effective date. The claimant may claim
9   the amount of any available credit so approved in accordance with
10 the provisions of Section 7-9A-8 NMSA 1978 immediately prior to
11 the effective date of the changes described in Subsection A of
12 this section.

13   E.   After the effective date of the changes described
14 in Subsection A of this section, the department may approve claims
15 submitted on or after that effective date with respect to
16 equipment not located in the state until after that effective date
17 only in accordance with the provisions of the Investment Credit
18 Act in effect after that effective date."".

19   3.   Renumber the succeeding section accordingly.,

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21 and thence referred to the **APPROPRIATIONS AND FINANCE
22 COMMITTEE.**

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2   Respectfully submitted,

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6   _____
           Jerry W Sandel, Chairman

7

8

9   Adopted _____   Not Adopted _____

10

11   (Chief Clerk)   (Chief Clerk)

12   Date _____

13

14   The roll call vote was _8_ For _0_ Against

15   Yes: 8

16   Excused: Gubbels, Lovejoy, Porter, Sandoval, Stell

17   Absent: None

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 7, 1997

Mr. Speaker:

Your **APPROPRIATIONS AND FINANCE COMMITTEE,** to whom has been referred

HOUSE BILL 49, as amended

has had it under consideration and reports same with recommendation that it **DO PASS.**

Respectfully submitted,

_____

Max Coll, Chairman

Underscored material = new
[bracketed material] = delete

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2   Adopted _____   Not Adopted _____

3

4   (Chief Clerk)   (Chief Clerk)

5   Date _____

6

7   The roll call vote was__13__ For_0_ Against

8   Yes: 13

9   Excused: Coll, Knowles, Marquardt, Picraux

10 Absent: None

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 7, 1997

Mr. Speaker:

Your **APPROPRIATIONS AND FINANCE COMMITTEE,** to whom has been referred

HOUSE BILL 49, as amended

has had it under consideration and reports same with recommendation that it **DO PASS.**

Respectfully submitted,

_____

Max Coll, Chairman

Underscored material = new
[bracketed material] = delete

1

2 Adopted _____   Not Adopted _____

3

4   (Chief Clerk)   (Chief Clerk)

5   Date _____

6

7 The roll call vote was_13_ For_0_ Against

8 Yes: 13

9 Excused: Coll, Knowles, Marquardt, Picraux

10 Absent: None

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Underscored material = new
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FORTY-THIRD LEGISLATURE

FIRST SESSION, 1997

March 14, 1997

Mr. President:

   Your **WAYS AND MEANS COMMITTEE**, to whom has been referred

HOUSE BILL 49, as amended

has had it under consideration and reports same with recommendation that it **DO PASS**, and thence referred to the **FINANCE COMMITTEE.**

Respectfully submitted,

_____

Carlos R. Cisneros, Chairman

HB-49   Page 12

Adopted_____   Not Adopted_____
              (Chief Clerk)   (Chief Clerk)

                        Date _____

The roll call vote was <u>5</u> For <u>0</u> Against

Yes: 5

No: 0

Excused: Duran, Jennings, McSorley, Wilson

Absent: None

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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

March 17, 1997

Mr. President:

Your **FINANCE COMMITTEE**, to whom has been referred

HOUSE BILL 49, as amended

has had it under consideration and reports same with
recommendation that it **DO PASS**.

Respectfully submitted,

_____

Ben D. Altamirano, Chairman

Adopted_____   Not Adopted_____
        (Chief Clerk)   (Chief Clerk)

Underscored material = new
[bracketed material] = delete

1 HB-49   Page 14

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4
                              Date _____
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7   The roll call vote was 6 For 0 Against

8   Yes: 6

9   No: None

10 Excused: Aragon, Carraro, Ingle, Lyons, McKibben

11 Absent: None

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