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HOUSE BILL 489

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

JAMES ROGER MADALENA

AN ACT

**RELATING TO TAXATION; CLARIFYING THE DEDUCTION FOR SERVICES
PERFORMED ON AN INDIAN RESERVATION; AMENDING SECTIONS OF THE
GROSS RECEIPTS AND COMPENSATING TAX ACT.**

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

**Section 1. Section 7-9-48 NMSA 1978 (being Laws 1969,
Chapter 144, Section 38, as amended) is amended to read:**

**"7-9-48. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL
GROSS RECEIPTS--SALE OF A SERVICE FOR RESALE.--Receipts from
selling a service for resale may be deducted from gross
receipts or from governmental gross receipts if the sale is
made to a person who delivers a nontaxable transaction
certificate to the seller. The buyer delivering the
nontaxable transaction certificate must separately state the
value of the service purchased in his charge for the service**

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1 on its subsequent sale, and the subsequent sale must be in the
2 ordinary course of business and subject to the gross receipts
3 tax or governmental gross receipts tax. Receipts from selling
4 a service performed on the land of an Indian nation, tribe or
5 pueblo for sale to a person who is reselling the service to an
6 Indian nation, tribe or pueblo or member of an Indian nation,
7 tribe or pueblo may be deducted from gross receipts. "

8 Section 2. Section 7-9-52 NMSA 1978 (being Laws 1969,
9 Chapter 144, Section 42) is amended to read:

10 "7-9-52. DEDUCTION--GROSS RECEIPTS TAX--SALE OF
11 CONSTRUCTION SERVICES TO PERSONS ENGAGED IN THE CONSTRUCTION
12 BUSINESS.--

13 A. Receipts from selling a construction service
14 may be deducted from gross receipts if the sale is made to a
15 person engaged in the construction business who delivers a
16 nontaxable transaction certificate to the person performing
17 the construction service.

18 B. The buyer delivering the nontaxable transaction
19 certificate must have the construction services performed
20 upon:

21 (1) a construction project which is subject
22 to the gross receipts tax upon its completion or upon the
23 completion of the overall construction project of which it is
24 a part; [or]

25 (2) a construction project which is subject

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1 to the gross receipts tax upon the sale in the ordinary course
2 of business of the real property upon which it was
3 constructed; or

4 (3) a construction project on the land of an
5 Indian nation, tribe or pueblo that is being sold to an Indian
6 nation, tribe or pueblo or a member of an Indian nation, tribe
7 or pueblo. "

1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 February 13, 1998
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8 Mr. Speaker:
9

10 Your TAXATION AND REVENUE COMMITTEE, to whom has
11 been referred
12

13 HOUSE BILL 489
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15 has had it under consideration and reports same with
16 recommendation that it DO PASS, and thence referred to the
17 APPROPRIATIONS AND FINANCE COMMITTEE.

18 Respectfully submitted,
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22 _____
23 Jerry W. Sandel, Chairman
24
25

1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3 HTRC/HB 489

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4 Adopted _____ Not Adopted _____

5
6 (Chief Clerk)

(Chief Clerk)

7
8 Date _____

9
10 The roll call vote was 9 For 0 Against

11 Yes: 9

12 Excused: Gonzales, Gubbels, Lujan, Russell,

13 Absent: None

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