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SENATE BILL 53

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

INTRODUCED BY

MANNY M. ARAGON

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS AND GOVERNMENTAL GROSS RECEIPTS FROM CERTAIN SALES OF FOOD; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 7-9-3 NMSA 1978 (being Laws 1978, Chapter 46, Section 1, as amended) is amended to read:

"7-9-3. DEFINITIONS. -- As used in the Gross Receipts and Compensating Tax Act:

A. "department" means the taxation and revenue department, the secretary of taxation and revenue or any employee of the department exercising authority lawfully delegated to that employee by the secretary;

B. "buying" or "selling" means any transfer of property for consideration or any performance of service for

Underscored material = new
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1 consideration;

2 C. "construction" means building, altering,
3 repairing or demolishing in the ordinary course of business
4 any:

5 (1) road, highway, bridge, parking area or
6 related project;

7 (2) building, stadium or other structure;

8 (3) airport, subway or similar facility;

9 (4) park, trail, athletic field, golf course
10 or similar facility;

11 (5) dam, reservoir, canal, ditch or similar
12 facility;

13 (6) sewerage or water treatment facility,
14 power generating plant, pump station, natural gas compressing
15 station, gas processing plant, coal gasification plant,
16 refinery, distillery or similar facility;

17 (7) sewerage, water, gas or other pipeline;

18 (8) transmission line;

19 (9) radio, television or other tower;

20 (10) water, oil or other storage tank;

21 (11) shaft, tunnel or other mining

22 appurtenance;

23 (12) microwave station or similar facility;

24 or

25 (13) similar work;

. 120790. 1

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1 "construction" also means:

2 (14) leveling or clearing land;

3 (15) excavating earth;

4 (16) drilling wells of any type, including
5 seismograph shot holes or core drilling; or

6 (17) similar work;

7 D. "financial corporation" means any savings and
8 loan association or any incorporated savings and loan company,
9 trust company, mortgage banking company, consumer finance
10 company or other financial corporation;

11 E. "engaging in business" means carrying on or
12 causing to be carried on any activity with the purpose of
13 direct or indirect benefit;

14 F. "gross receipts" means the total amount of
15 money or the value of other consideration received from
16 selling property in New Mexico, from leasing property employed
17 in New Mexico, from selling services performed outside New
18 Mexico the product of which is initially used in New Mexico or
19 from performing services in New Mexico. In an exchange in
20 which the money or other consideration received does not
21 represent the value of the property or service exchanged,
22 "gross receipts" means the reasonable value of the property or
23 service exchanged.

24 (1) "Gross receipts" includes:

25 (a) any receipts from sales of tangible

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1 personal property handled on consignment;

2 (b) the total commissions or fees
3 derived from the business of buying, selling or promoting the
4 purchase, sale or leasing, as an agent or broker on a
5 commission or fee basis, of any property, service, stock, bond
6 or security;

7 (c) amounts paid by members of any
8 cooperative association or similar organization for sales or
9 leases of personal property or performance of services by such
10 organization; and

11 (d) amounts received from transmitting
12 messages or conversations by persons providing telephone or
13 telegraph services.

14 (2) "Gross receipts" excludes:

15 (a) cash discounts allowed and taken;

16 (b) New Mexico gross receipts tax,
17 governmental gross receipts tax and leased vehicle gross
18 receipts tax payable on transactions for the reporting period;

19 (c) taxes imposed pursuant to the
20 provisions of any local option gross receipts tax that is
21 payable on transactions for the reporting period;

22 (d) any gross receipts or sales taxes
23 imposed by an Indian nation, tribe or pueblo; provided that
24 the tax is approved, if approval is required by federal law or
25 regulation, by the secretary of the interior of the United

. 120790. 1

Underscored material = new
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1 States, and; provided further that the gross receipts or sales
2 tax imposed by the Indian nation, tribe or pueblo provides a
3 reciprocal exclusion for gross receipts, sales or gross
4 receipts-based excise taxes imposed by the state or its
5 political subdivisions;

6 (e) any type of time-price
7 differential; and

8 (f) amounts received solely on behalf
9 of another in a disclosed agency capacity.

10 (3) When the sale of property or service is
11 made under any type of charge, conditional or time-sales
12 contract or the leasing of property is made under a leasing
13 contract, the seller or lessor may elect to treat all
14 receipts, excluding any type of time-price differential, under
15 such contracts as gross receipts as and when the payments are
16 actually received. If the seller or lessor transfers his
17 interest in any such contract to a third person, the seller or
18 lessor shall pay the gross receipts tax upon the full sale or
19 leasing contract amount, excluding any type of time-price
20 differential;

21 G. "manufacturing" means combining or processing
22 components or materials to increase their value for sale in
23 the ordinary course of business, but does not include
24 construction;

25 H. "person" means:

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1 (1) any individual, estate, trust, receiver,
2 cooperative association, club, corporation, company, firm,
3 partnership, limited liability company, limited liability
4 partnership, joint venture, syndicate or other entity,
5 including any gas, water or electric utility owned or operated
6 by a county, municipality or other political subdivision of
7 the state; or

8 (2) any national, federal, state, Indian or
9 other governmental unit or subdivision, or any agency,
10 department or instrumentality of any of the foregoing;

11 I. "property" means real property, tangible
12 personal property, licenses, franchises, patents, trademarks
13 and copyrights. Tangible personal property includes
14 electricity and manufactured homes;

15 J. "leasing" means any arrangement whereby, for a
16 consideration, property is employed for or by any person other
17 than the owner of the property, except that the granting of a
18 license to use property is the sale of a license and not a
19 lease;

20 K. "service" means all activities engaged in for
21 other persons for a consideration, which activities involve
22 predominantly the performance of a service as distinguished
23 from selling or leasing property. "Service" includes
24 activities performed by a person for its members or
25 shareholders. In determining what is a service, the intended

Underscored material = new
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1 use, principal objective or ultimate objective of the
2 contracting parties shall not be controlling. "Service"
3 includes construction activities and all tangible personal
4 property that will become an ingredient or component part of a
5 construction project. Such tangible personal property retains
6 its character as tangible personal property until it is
7 installed as an ingredient or component part of a construction
8 project in New Mexico. However, sales of tangible personal
9 property that will become an ingredient or component part of a
10 construction project to persons engaged in the construction
11 business are sales of tangible personal property;

12 L. "use" or "using" includes use, consumption or
13 storage other than storage for subsequent sale in the ordinary
14 course of business or for use solely outside this state;

15 M "secretary" means the secretary of taxation and
16 revenue or the secretary's delegate;

17 N. "manufactured home" means a moveable or
18 portable housing structure for human occupancy that exceeds
19 either a width of eight feet or a length of forty feet
20 constructed to be towed on its own chassis and designed to be
21 installed with or without a permanent foundation;

22 O. "initial use" or "initially used" means the
23 first employment for the intended purpose and does not include
24 the following activities:

25 (1) observation of tests conducted by the

Underscored material = new
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1 performer of services;

2 (2) participation in progress reviews,
3 briefings, consultations and conferences conducted by the
4 performer of services;

5 (3) review of preliminary drafts, drawings
6 and other materials prepared by the performer of the services;

7 (4) inspection of preliminary prototypes
8 developed by the performer of services; or

9 (5) similar activities;

10 P. "research and development services" means any
11 activity engaged in for other persons for consideration, for
12 one or more of the following purposes:

13 (1) advancing basic knowledge in a recognized
14 field of natural science;

15 (2) advancing technology in a field of
16 technical endeavor;

17 (3) the development of a new or improved
18 product, process or system with new or improved function,
19 performance, reliability or quality, whether or not the new or
20 improved product, process or system is offered for sale, lease
21 or other transfer;

22 (4) the development of new uses or
23 applications for an existing product, process or system,
24 whether or not the new use or application is offered as the
25 rationale for purchase, lease or other transfer of the

Underscored material = new
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1 product, process or system;

2 (5) analytical or survey activities
3 incorporating technology review, application, trade-off study,
4 modeling, simulation, conceptual design or similar activities,
5 whether or not offered for sale, lease or other transfer; or

6 (6) the design and development of prototypes
7 or the integration of systems incorporating advances,
8 developments or improvements included in Paragraphs (1)
9 through (5) of this subsection; [~~and~~]

10 Q. "local option gross receipts tax" means a tax
11 authorized to be imposed by a county or municipality upon the
12 taxpayer's gross receipts and required to be collected by the
13 department at the same time and in the same manner as the
14 gross receipts tax; "local option gross receipts tax" includes
15 the taxes imposed pursuant to the Municipal Local Option Gross
16 Receipts Taxes Act, Supplemental Municipal Gross Receipts Tax
17 Act, Special Municipal Gross Receipts Tax Act, County Local
18 Option Gross Receipts Taxes Act, Local Hospital Gross Receipts
19 Tax Act, County Correctional Facility Gross Receipts Tax Act
20 and such other acts as may be enacted authorizing counties or
21 municipalities to impose taxes on gross receipts, which taxes
22 are to be collected by the department;

23 R. "food" means any food or food product for home
24 consumption except alcoholic beverages and tobacco and its
25 products; "food" also includes those hot foods or hot food

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1 products ready for immediate consumption that are included
2 under the definition of "food" for the federal food stamp
3 program pursuant to 7 U.S.C.A. Section 2012 (g); and

4 S. "food service establishment" means a
5 restaurant, cafe, snack bar, coffee shop, lunch counter,
6 cafeteria, delicatessen, dining room, dining car, drive-in,
7 concession stand, fast-food operation, street vendor, catering
8 service, room service, hotel, motel, rooming house, guest
9 ranch, club, bar, tavern or similar business at which food
10 suitable for immediate consumption is delivered in the
11 ordinary course of business."

12 Section 2. A new section of the Gross Receipts and
13 Compensating Tax Act is enacted to read:

14 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX AND
15 GOVERNMENTAL GROSS RECEIPTS TAX--SALE OF FOOD.--

16 A. Receipts from selling food other than at food
17 service establishments may be deducted from gross receipts and
18 governmental gross receipts under this section except for food
19 sold:

- 20 (1) for resale;
- 21 (2) to a manufacturer;
- 22 (3) to a governmental agency described in
23 Section 7-9-54 NMSA 1978;
- 24 (4) to an organization described in Section
25 7-9-60 NMSA 1978; and

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1 (5) to a person engaged in the food service
2 business.

3 B. The deduction provided in this section is
4 available only to persons who:

5 (1) separately account for food receipts by
6 special departmental codes on cash register tapes, separate
7 cash registers or other methods that accurately separate this
8 deduction from other deductible and nondeductible receipts;
9 and

10 (2) properly complete and file a deduction
11 schedule for food receipts as required by the secretary. "

12 Section 3. EFFECTIVE DATE. --The effective date of the
13 provisions of this act is July 1, 1998.

1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 January 22, 1998
7

8 Mr. President:
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10 Your COMMITTEES' COMMITTEE, to whom has been referred
11

12 SENATE BILL 53
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14 has had it under consideration and finds same to be GERMANE, in
15 accordance with constitutional provisions, and thence referred to
16 the WAYS & MEANS COMMITTEE.
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19 Respectfully submitted,
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25 _____
Manny M. Aragon, Chairman

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Adopted _____ Not Adopted _____

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(Chief Clerk)

(Chief Clerk)

Date _____

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1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

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4
5 February 7, 1998

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7 Mr. President:

8
9 Your WAYS AND MEANS COMMITTEE, to whom has been referred

10
11 SENATE BILL 53

12
13 has had it under consideration and reports same with recommendation
14 that it DO PASS, and thence referred to the FINANCE COMMITTEE.

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16 Respectfully submitted,

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22 Carlos R. Cisneros, Chairman
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(Chief Clerk) (Chief Clerk)

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Date _____

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Duran, Kidd, Leavell, Wilson

Absent: None

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Underscored material = new
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SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR
SENATE BILL 53

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

AN ACT

RELATING TO TAXATION; ENACTING A TAX REBATE FOR GROSS RECEIPTS
TAX PAID ON FOOD.

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

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

"[NEW MATERIAL] TAX REBATE FOR GROSS RECEIPTS TAX ON
FOOD-- REFUND. --

A. Except as provided in Subsection C of this
section, any resident who files an individual New Mexico
income tax return for a taxable year beginning on or after
January 1, 1998 and who is not a dependent of another
individual may claim a tax rebate for a portion of gross
receipts taxes on food purchases to which he has been subject
during the taxable year for which the return is filed. The

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tax rebate may be claimed in an amount equal to seven dollars (\$7.00) for each exemption allowable pursuant to Subsection E of this section.

1 B. The tax rebate provided for in this section may
2 be deducted from the taxpayer's New Mexico income tax
3 liability for the taxable year. If the tax rebate exceeds the
4 taxpayer's income tax liability, the excess shall be refunded
5 to the taxpayer.

6 C. No claim for the tax rebate provided in this
7 section shall be filed by a resident who was an inmate of a
8 public institution for more than six months or who was not
9 physically present in New Mexico for at least six months
10 during the taxable year for which the tax rebate could be
11 claimed.

12 D. A husband and wife who file separate returns for
13 a taxable year in which they could filed a joint return may
14 each claim only one-half of the tax rebate provided under this
15 section that would have been allowed on a joint return.

16 E. For the purposes of this section, the total
17 number of exemptions for which a tax rebate may be claimed or
18 allowed is determined by adding the number of federal
19 exemptions allowable for federal income tax purposes for each
20 individual included in the return who is domiciled in New
21 Mexico plus one exemption for each minor child or stepchild of
22 the resident who would be a dependent for federal income tax
23 purposes if the public assistance contributing to the support
24 of the child or stepchild was considered to have been
25 contributed by the resident.

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

February 13, 1998

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred
SENATE WAYS AND MEANS COMMITTEE SUBSTITITUE FOR
SENATE BILL 53

has had it under consideration and reports same with
recommmendation that it DO NOT PASS, but that

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR
SENATE BILL 53

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SMMC/SB 53

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DO PASS .

Respectfully submitted,

Ben D. Altamirano, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Aragon, Campos, Ingle, McKibben, Smith

Absent: None

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Underscored material = new
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consideration;

C. "construction" means building, altering, repairing or demolishing in the ordinary course of business any:

- (1) road, highway, bridge, parking area or related project;
- (2) building, stadium or other structure;
- (3) airport, subway or similar facility;
- (4) park, trail, athletic field, golf course or similar facility;
- (5) dam, reservoir, canal, ditch or similar facility;
- (6) sewerage or water treatment facility, power generating plant, pump station, natural gas compressing station, gas processing plant, coal gasification plant, refinery, distillery or similar facility;
- (7) sewerage, water, gas or other pipeline;
- (8) transmission line;
- (9) radio, television or other tower;
- (10) water, oil or other storage tank;
- (11) shaft, tunnel or other mining appurtenance;
- (12) microwave station or similar facility; or
- (13) similar work;

"construction" also means:

- (14) leveling or clearing land;
- (15) excavating earth;
- (16) drilling wells of any type, including

1 seismograph shot holes or core drilling; or

2 (17) similar work;

3 D. "financial corporation" means any savings and loan
4 association or any incorporated savings and loan company, trust
5 company, mortgage banking company, consumer finance company or
6 other financial corporation;

7 E. "engaging in business" means carrying on or causing
8 to be carried on any activity with the purpose of direct or
9 indirect benefit;

10 F. "gross receipts" means the total amount of money or
11 the value of other consideration received from selling property
12 in New Mexico, from leasing property employed in New Mexico, from
13 selling services performed outside New Mexico the product of
14 which is initially used in New Mexico or from performing services
15 in New Mexico. In an exchange in which the money or other
16 consideration received does not represent the value of the
17 property or service exchanged, "gross receipts" means the
18 reasonable value of the property or service exchanged.

19 (1) "Gross receipts" includes:

20 (a) any receipts from sales of tangible
21 personal property handled on consignment;

22 (b) the total commissions or fees derived from
23 the business of buying, selling or promoting the purchase, sale
24 or leasing, as an agent or broker on a commission or fee basis,
25 of any property, service, stock, bond or security;

1 (c) amounts paid by members of any cooperative
2 association or similar organization for sales or leases of
3 personal property or performance of services by such
4 organization; and

5 (d) amounts received from transmitting
6 messages or conversations by persons providing telephone or
7 telegraph services.

8 (2) "Gross receipts" excludes:

9 (a) cash discounts allowed and taken;

10 (b) New Mexico gross receipts tax,
11 governmental gross receipts tax and leased vehicle gross receipts
12 tax payable on transactions for the reporting period;

13 (c) taxes imposed pursuant to the provisions
14 of any local option gross receipts tax that is payable on
15 transactions for the reporting period;

16 (d) any gross receipts or sales taxes imposed
17 by an Indian nation, tribe or pueblo; provided that the tax is
18 approved, if approval is required by federal law or regulation,
19 by the secretary of the interior of the United States, and;
20 provided further that the gross receipts or sales tax imposed by
21 the Indian nation, tribe or pueblo provides a reciprocal
22 exclusion for gross receipts, sales or gross receipts-based
23 excise taxes imposed by the state or its political subdivisions;

24 (e) any type of time-price differential; and

25 (f) amounts received solely on behalf of

1 another in a disclosed agency capacity.

2 (3) When the sale of property or service is made
3 under any type of charge, conditional or time-sales contract or
4 the leasing of property is made under a leasing contract, the
5 seller or lessor may elect to treat all receipts, excluding any
6 type of time-price differential, under such contracts as gross
7 receipts as and when the payments are actually received. If the
8 seller or lessor transfers his interest in any such contract to a
9 third person, the seller or lessor shall pay the gross receipts
10 tax upon the full sale or leasing contract amount, excluding any
11 type of time-price differential;

12 G. "manufacturing" means combining or processing
13 components or materials to increase their value for sale in the
14 ordinary course of business, but does not include construction;

15 H. "person" means:

16 (1) any individual, estate, trust, receiver,
17 cooperative association, club, corporation, company, firm,
18 partnership, limited liability company, limited liability
19 partnership, joint venture, syndicate or other entity, including
20 any gas, water or electric utility owned or operated by a county,
21 municipality or other political subdivision of the state; or

22 (2) any national, federal, state, Indian or other
23 governmental unit or subdivision, or any agency, department or
24 instrumentality of any of the foregoing;

25 I. "property" means real property, tangible personal

1 property, licenses, franchises, patents, trademarks and
2 copyrights. Tangible personal property includes electricity and
3 manufactured homes;

4 J. "leasing" means any arrangement whereby, for a
5 consideration, property is employed for or by any person other
6 than the owner of the property, except that the granting of a
7 license to use property is the sale of a license and not a lease;

8 K. "service" means all activities engaged in for other
9 persons for a consideration, which activities involve
10 predominantly the performance of a service as distinguished from
11 selling or leasing property. "Service" includes activities
12 performed by a person for its members or shareholders. In
13 determining what is a service, the intended use, principal
14 objective or ultimate objective of the contracting parties shall
15 not be controlling. "Service" includes construction activities
16 and all tangible personal property that will become an ingredient
17 or component part of a construction project. Such tangible
18 personal property retains its character as tangible personal
19 property until it is installed as an ingredient or component part
20 of a construction project in New Mexico. However, sales of
21 tangible personal property that will become an ingredient or
22 component part of a construction project to persons engaged in
23 the construction business are sales of tangible personal
24 property;

25 L. "use" or "using" includes use, consumption or

1 storage other than storage for subsequent sale in the ordinary
2 course of business or for use solely outside this state;

3 M "secretary" means the secretary of taxation and
4 revenue or the secretary's delegate;

5 N. "manufactured home" means a moveable or portable
6 housing structure for human occupancy that exceeds either a width
7 of eight feet or a length of forty feet constructed to be towed
8 on its own chassis and designed to be installed with or without a
9 permanent foundation;

10 O. "initial use" or "initially used" means the first
11 employment for the intended purpose and does not include the
12 following activities:

13 (1) observation of tests conducted by the
14 performer of services;

15 (2) participation in progress reviews, briefings,
16 consultations and conferences conducted by the performer of
17 services;

18 (3) review of preliminary drafts, drawings and
19 other materials prepared by the performer of the services;

20 (4) inspection of preliminary prototypes developed
21 by the performer of services; or

22 (5) similar activities;

23 P. "research and development services" means any
24 activity engaged in for other persons for consideration, for one
25 or more of the following purposes:

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1 (1) advancing basic knowledge in a recognized
2 field of natural science;

3 (2) advancing technology in a field of technical
4 endeavor;

5 (3) the development of a new or improved product,
6 process or system with new or improved function, performance,
7 reliability or quality, whether or not the new or improved
8 product, process or system is offered for sale, lease or other
9 transfer;

10 (4) the development of new uses or applications
11 for an existing product, process or system, whether or not the
12 new use or application is offered as the rationale for purchase,
13 lease or other transfer of the product, process or system;

14 (5) analytical or survey activities incorporating
15 technology review, application, trade-off study, modeling,
16 simulation, conceptual design or similar activities, whether or
17 not offered for sale, lease or other transfer; or

18 (6) the design and development of prototypes or
19 the integration of systems incorporating advances, developments
20 or improvements included in Paragraphs (1) through (5) of this
21 subsection; [~~and~~]

22 Q. "local option gross receipts tax" means a tax
23 authorized to be imposed by a county or municipality upon the
24 taxpayer's gross receipts and required to be collected by the
25 department at the same time and in the same manner as the gross

. 123320. 2

Underscored material = new
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1 receipts tax; "local option gross receipts tax" includes the
2 taxes imposed pursuant to the Municipal Local Option Gross
3 Receipts Taxes Act, Supplemental Municipal Gross Receipts Tax
4 Act, Special Municipal Gross Receipts Tax Act, County Local
5 Option Gross Receipts Taxes Act, Local Hospital Gross Receipts
6 Tax Act, County Correctional Facility Gross Receipts Tax Act and
7 such other acts as may be enacted authorizing counties or
8 municipalities to impose taxes on gross receipts, which taxes are
9 to be collected by the department;

10 R. "food" means any food or food product for home
11 consumption except alcoholic beverages and tobacco and its
12 products; "food" also includes those hot foods or hot food
13 products ready for immediate consumption that are included under
14 the definition of "food" for the federal food stamp program
15 pursuant to 7 U. S. C. A. Section 2012 (g); and

16 S. "food service establishment" means a restaurant,
17 cafe, snack bar, coffee shop, lunch counter, cafeteria,
18 delicatessen, dining room, dining car, drive-in, concession
19 stand, fast-food operation, street vendor, catering service, room
20 service, hotel, motel, rooming house, guest ranch, club, bar,
21 tavern or similar business at which food suitable for immediate
22 consumption is delivered in the ordinary course of business."

23 Section 2. A new section of the Gross Receipts and
24 Compensating Tax Act is enacted to read:

25 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX AND

1 GOVERNMENTAL GROSS RECEIPTS TAX-- SALE OF FOOD. --

2 A. Twenty percent of receipts from selling food other
3 than at food service establishments may be deducted from gross
4 receipts and governmental gross receipts under this section
5 except for food sold:

6 (1) for resale;

7 (2) to a manufacturer;

8 (3) to a governmental agency described in Section
9 7-9-54 NMSA 1978;

10 (4) to an organization described in Section 7-9-60
11 NMSA 1978; and

12 (5) to a person engaged in the food service
13 business.

14 B. The deduction provided in this section is available
15 only to persons who:

16 (1) separately account for food receipts by
17 special departmental codes on cash register tapes, separate cash
18 registers or other methods that accurately separate this
19 deduction from other deductible and nondeductible receipts; and

20 (2) properly complete and file a deduction
21 schedule for food receipts as required by the secretary. "

22 Section 3. EFFECTIVE DATE. --The effective date of the
23 provisions of this act is July 1, 1998.