SENATE BILL 291

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

INTRODUCED BY

PATRICK H. LYONS

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS FOR SALE OF ADVANCED PRODUCT DEVELOPMENT SERVICES.

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

Section 1. A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--SALE OF ADVANCED PRODUCT DEVELOPMENT SERVICES.--

A.   Receipts from selling advanced product development services may be deducted from gross receipts.

B.   As used in this section, "advanced product development services" means services necessary to develop a new product that is intended to be manufactured but has not yet been offered for sale, lease or other transfer, and includes the design and development of prototypes."

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1   Section 2.   EFFECTIVE DATE.--The effective date of the

2   provisions of this act is July 1, 1998.

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FORTY-THIRD LEGISLATURE

SECOND SESSION, 1998

February 4, 1998

Mr. President:

Your **COMMITTEES' COMMITTEE**, to whom has been referred

SENATE BILL 291

has had it under consideration and finds same to be **GERMANE**, in

accordance with constitutional provisions, and thence referred to the

WAYS & MEANS COMMITTEE.

Respectfully submitted,

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Manny M Aragon, Chairman

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Adopted_____ Not Adopted_____

(Chief Clerk)   (Chief Clerk)

Date _____

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