TAXATION & REVENUE
NEW MEXICO

Susana Martinez
Governor

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Tax-Related Legislation in 2014 Session

Gross Receipts Tax Deductions

Aircraft Parts & Maintenance (HB14)

- Amends Section 7-9-62 NMSA 1978
- Prior to the change, the sale of aircraft parts or services were deductible from GRT if sold by an aircraft manufacturer or affiliate
- After the change, the sale of aircraft parts or services are deductible from GRT, whether or not they are sold by an aircraft manufacturer or affiliate
- Requires the taxpayer to separately state the entire deduction
- Requires TRD to compile an annual report and, beginning in 2019 and every five years thereafter, to report to RSTP and the LFC

Aircraft Sales (HB24)

- Amends Section 7-9-62.1 NMSA 1978
- Made the sale of commercial aircraft over 10,000 gross landing weight deductible from GRT
- Requires the taxpayer to separately state the entire deduction
- Requires TRD to compile an annual report and, beginning in 2019 and every five years thereafter, to report to RSTP and the LFC

Dialysis Facility Services (HB32)

- Amends Section 7-9-77.1 NMSA 1978
- Made the receipts from payments by the US government for medical and other health services provided by a dialysis facility to Medicare beneficiaries deductible from GRT
- Phased the deduction in over three years:
  - July 1, 2014-June 30, 2015 – 33 1/3%
  - July 1, 2015-June 30, 2016 – 66 2/3%
  - July 1, 2016-June 30, 2024 – 100%
- Requires the taxpayer to separately state the entire deduction
- Requires TRD to compile an annual report and, beginning in 2020 and every five years thereafter, to report to RSTP and the LFC

Durable Medical Equipment (SB88)

- Creates a new GRT and GGRT deduction for the receipts from selling or renting durable medical equipment and medical supplies only for taxpayers who get at least 90% of their gross receipts from selling or renting durable medical equipment or medical supplies
- Requires the taxpayer to separately state the deduction
- Requires TRD to compile an annual report and, beginning in 2019 and every five years thereafter, to report to RSTP and the LFC

Personal Income Tax & Corporate Income Tax

Net Operating Loss (NOL) Carryover (CS/SB106 & SB156)

- Amended Sections 7-2-2 and 7-2A-2 NMSA 1978
- Allows net operating losses to be carried forward for 20 years, but only for an NOL carryover from a taxable year beginning on or after January 1, 2013
- Brings the NOL carryover in line with federal carryover rules