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SENATE BILL 156

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Kent L. Cravens

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS DEDUCTION FOR COMMISSIONS OF DIRECT SELLERS; AMENDING A SECTION OF THE GROSS RECEIPTS AND COMPENSATING TAX ACT.

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

Section 1. Section 7-9-66 NMSA 1978 (being Laws 1969, Chapter 144, Section 57, as amended) is amended to read:

"7-9-66. DEDUCTION--GROSS RECEIPTS TAX--COMMISSIONS.--

A. Receipts derived from commissions on sales of tangible personal property [~~which~~] that are not subject to the gross receipts tax may be deducted from gross receipts.

B. Receipts of the owner of a dealer store derived from commissions received for performing the service of selling from the owner's dealer store a principal's tangible personal property may be deducted from gross receipts.

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1 C. Receipts of a direct seller derived from
2 commissions may be deducted from gross receipts.

3 [~~C.~~] D. As used in this section:

4 (1) "dealer store" means a merchandise
5 facility open to the public that is owned and operated by a
6 person who contracts with a principal to act as an agent for
7 the sale from that facility of merchandise owned by the
8 principal; and

9 (2) "direct seller" has the meaning given in
10 Section 3508 of the Internal Revenue Code of 1986, as amended."

11 Section 2. EFFECTIVE DATE. --The effective date of the
12 provisions of this act is July 1, 2003.

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