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SENATE BILL 510

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

INTRODUCED BY

Cynthia Nava

AN ACT

RELATING TO GAMING TAXATION; DISTRIBUTING A PERCENTAGE OF  
GAMING TAX REVENUES GENERATED BY RACETRACK GAMING OPERATOR  
LICENSEES TO MUNICIPALITIES IN WHICH THE RACETRACKS ARE LOCATED  
TO PROVIDE FUNDS FOR LOCAL INFRASTRUCTURE AND SERVICES.

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

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

" [NEW MATERIAL] DISTRIBUTION--GAMING TAX. --A distribution  
pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each  
municipality with a population greater than thirteen thousand  
but not more than thirteen thousand five hundred according to  
the most recent federal decennial census located in a class A  
county in which a racetrack gaming operator licensed pursuant  
to the Gaming Control Act is located in an amount equal to four

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1 and one-half percent of the net receipts attributable to the  
2 gaming tax paid by the racetrack gaming operator licensee  
3 pursuant to Section 60-2E-47 NMSA 1978. "

4 Section 2. Section 60-2E-47 NMSA 1978 (being Laws 1997,  
5 Chapter 190, Section 49, as amended) is amended to read:

6 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION. --

7 A. An excise tax is imposed on the privilege of  
8 engaging in gaming activities in the state. This tax shall be  
9 known as the "gaming tax".

10 B. The gaming tax is an amount equal to ten percent  
11 of the gross receipts of manufacturer licensees from the sale,  
12 lease or other transfer of gaming devices in or into the state,  
13 except receipts of a manufacturer from the sale, lease or other  
14 transfer to a licensed distributor for subsequent sale or lease  
15 may be excluded from gross receipts; ten percent of the gross  
16 receipts of distributor licensees from the sale, lease or other  
17 transfer of gaming devices in or into the state; ten percent of  
18 the net take of a gaming operator licensee that is a nonprofit  
19 organization; and twenty-five percent of the net take of every  
20 other gaming operator licensee. For the purposes of this  
21 section, "gross receipts" means the total amount of money or  
22 the value of other consideration received from selling, leasing  
23 or otherwise transferring gaming devices.

24 C. The gaming tax imposed on a licensee is in lieu  
25 of all state and local gross receipts taxes on that portion of

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1 the licensee's gross receipts attributable to gaming  
2 activities.

3 D. The gaming tax is to be paid on or before the  
4 fifteenth day of the month following the month in which the  
5 taxable event occurs. The gaming tax shall be administered and  
6 collected by the taxation and revenue department in cooperation  
7 with the board. The provisions of the Tax Administration Act  
8 apply to the collection and administration of the tax.

9 E. In addition to the gaming tax, a gaming operator  
10 licensee that is a racetrack shall pay twenty percent of its  
11 net take to purses to be distributed in accordance with rules  
12 adopted by the state racing commission. An amount not to  
13 exceed twenty percent of the interest earned on the balance of  
14 any fund consisting of money for purses distributed by  
15 racetrack gaming operator licensees pursuant to this subsection  
16 may be expended for the costs of administering the  
17 distributions. A racetrack gaming operator licensee shall  
18 spend no less than one-fourth [~~of one~~] percent of the net take  
19 of its gaming machines to fund or support programs for the  
20 treatment and assistance of compulsive gamblers.

21 F. A nonprofit gaming operator licensee shall  
22 distribute at least sixty percent of the balance of its net  
23 take, after payment of the gaming tax and any income taxes,  
24 for charitable or educational purposes.

25 G. A municipality receiving a percentage of gaming

1 tax revenues generated by a racetrack gaming operator licensee  
2 from a distribution pursuant to Section 1 of this 2003 act  
3 shall use those revenues for acquisition, construction or  
4 improvement of local government infrastructure or for providing  
5 police and fire protection services."

6 Section 3. EFFECTIVE DATE. --The effective date of the  
7 provisions of this act is July 1, 2003.

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