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FISCAL IMPACT REPORT

SPONSOR: Boykin DATE TYPED: 1/27/03 HB 126

SHORT TITLE: Amend Gross Receipts Act SB _____

ANALYST: Smith

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From

TRD

SUMMARY

Synopsis of Bill

House Bill 126 reorganizes certain gross receipts and compensating tax sections. TRD has provided the following section-by-section analysis:

Section 1 makes citations in Section 7-1-55 NMSA 1978 (Contractor’s Bond for Gross Receipts Tax) to conform with the proposed changes to the definition Section of the GR&CTA.

Section 2 removes the definitions of “construction”, “engaging in business”, “gross receipts”, “prescription drugs”, and “construction material” from Section 7-9-3 NMSA 1978 and reorganizes the remaining definitions in alphabetical order.

Section 3 adds a new section (7-9-3.1) for the purpose of defining “gross receipts”. The definition is amended to incorporate the additional definitions of gross receipts currently contained in Section 7-9-3.3 relating to mobile telecommunications services.

Section 4 repeals Section 7-9-3.3 (additional definitions relating to mobile telecommunications services) and replaces it with a new section to define “engaging in business”. The definition is not altered from the current definition.

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Section 5 adds a new section (7-9-3.4) defining “construction” and “construction material”. The definition of construction material is not altered from the current definition. In the definition of construction on p. 23, line 20 [Section 7-9-3.4(A)(1)(m)] a comma is inserted between the words “fence” and “gate”.

Section 6 makes a technical correction to Section 7-9-54 NMSA 1978.

Section 7 amends Section 7-9-73.2 (Deduction-Gross Receipts Tax and Governmental Gross Receipts Tax-Prescription Drugs) to include the definition of “prescription drugs”. The definition is not altered from the current definition.

Significant Issues

This bill was adopted by the Revenue Stabilization and Tax Policy Committee during the interim. The point of this legislation is to avoid tracking and signing order problems with the many changes annually made to the Gross Receipts and Compensating Tax Act .

SS/njw