

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 159

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

AN ACT

RELATING TO GAMING TAXATION; DISTRIBUTING A PERCENTAGE OF
GAMING TAX REVENUES GENERATED BY RACETRACK GAMING OPERATOR
LICENSEES TO MUNICIPALITIES THAT SURROUND THE RACETRACKS OR 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 a
municipality in which a racetrack gaming operator licensed
pursuant to the Gaming Control Act is located if that
operator's racetrack is surrounded by or is within the
boundaries of the municipality, in an amount equal to one-half
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underscored material = new
[bracketed material] = delete

1 percent of the net receipts attributable to the gaming tax paid
2 by the racetrack gaming operator licensee pursuant to Section
3 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

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1 tax revenues generated by a racetrack gaming operator licensee
2 from a distribution pursuant to Section 1 of this 2005 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, 2005.