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HOUSE BILL 485

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

INTRODUCED BY

Kandy Cordova

AN ACT

RELATING TO TAXATION; PERMITTING A DEDUCTION FROM GROSS RECEIPTS FOR SALES OF CONSTRUCTION MATERIAL AND METALLIFEROUS MINERAL ORE TO CERTAIN TAX-EXEMPT ORGANIZATIONS THAT ARE ORGANIZED FOR THE PURPOSE OF PROVIDING HOME OWNERSHIP OPPORTUNITIES TO LOW-INCOME FAMILIES.

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

Section 1. Section 7-9-60 NMSA 1978 (being Laws 1970, Chapter 12, Section 4, as amended) is amended to read:

"7-9-60. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL GROSS RECEIPTS TAX--SALES TO CERTAIN ORGANIZATIONS.--

A. Except as provided otherwise in Subsection B of this section, receipts from selling tangible personal property to 501(c)(3) organizations [~~that have been granted exemption from the federal income tax by the United States commissioner~~

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underscored material = new
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1 ~~of internal revenue as organizations described in Section~~
2 ~~501(c)(3) of the United States Internal Revenue Code of 1986,~~
3 ~~as amended or renumbered]~~ may be deducted from gross receipts
4 or from governmental gross receipts if the sale is made to an
5 organization that delivers a nontaxable transaction certificate
6 to the seller. The buyer delivering the nontaxable transaction
7 certificate shall employ the tangible personal property in the
8 conduct of functions described in Section 501(c)(3) and shall
9 not employ the tangible personal property in the conduct of an
10 unrelated trade or business as defined in Section 513 of the
11 United States Internal Revenue Code of 1986, as amended or
12 renumbered.

13 B. The deduction provided by this section does not
14 apply to receipts from selling construction material or from
15 selling metalliferous mineral ore; except that receipts from
16 selling construction material or from selling metalliferous
17 mineral ore to a 501(c)(3) organization that is organized for
18 the purpose of providing homeownership opportunities to
19 low-income families may be deducted from gross receipts.

20 C. For the purposes of this section, "501(c)(3)
21 organization" means an organization that has been granted
22 exemption from the federal income tax by the United States
23 commissioner of internal revenue as an organization described
24 in Section 501(c)(3) of the United States Internal Revenue Code
25 of 1986, as amended or renumbered."

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