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SENATE BILL 85

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

INTRODUCED BY

Carroll H. Leavell

AN ACT

RELATING TO TAXATION; MODIFYING A PENALTY FOR INCORRECT REPORTING OF GROSS RECEIPTS TAX DEDUCTIONS FOR FOOD OR HEALTH CARE PRACTITIONER SERVICES; DECLARING AN EMERGENCY.

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

Section 1. Section 7-1-71.2 NMSA 1978 (being Laws 2004, Chapter 116, Section 3) is amended to read:

"7-1-71.2. PENALTY FOR ~~INCORRECT~~ EXCESSIVE REPORTING OF FOOD DEDUCTION OR HEALTH CARE PRACTITIONER SERVICES DEDUCTION. -- A taxpayer who claims a deduction pursuant to Section 7-9-92 or 7-9-93 NMSA 1978 and ~~[fails to correctly report the]~~ reports an amount in excess of the deduction to which the taxpayer is entitled shall pay a penalty in the amount of the difference between the ~~[incorrect]~~ reported deduction amount and the correct deduction amount multiplied by

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1 [twice] twenty-five percent of the total local option tax rates
2 in effect at the taxpayer's business location for which the
3 deduction was claimed. This penalty shall be in addition to
4 other applicable penalties. "

5 Section 2. EMERGENCY.--It is necessary for the public
6 peace, health and safety that this act take effect immediately.