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SENATE BILL 11

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

INTRODUCED BY

Leonard Lee Rawson

AN ACT

RELATING TO TAXATION; REDUCING THE GROSS RECEIPTS TAX RATE FOR THE PERIOD BEGINNING ON NOVEMBER 1, 2005 AND ENDING ON JANUARY 31, 2006; DECLARING AN EMERGENCY.

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

Section 1. Section 7-1-6.4 NMSA 1978 (being Laws 1983, Chapter 211, Section 9, as amended) is amended to read:

"7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS TAX. --

A. Except as provided in Subsection B of this section, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each municipality in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to the product of the quotient of one and two hundred twenty-five thousandths percent divided by the

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1 appropriate tax rate imposed ~~[by]~~ pursuant to Section 7-9-4  
2 NMSA 1978 ~~[times]~~ multiplied by the net receipts for the month  
3 attributable to the gross receipts tax from business locations:

4 (1) within that municipality;  
5 (2) on land owned by the state, commonly known  
6 as the "state fair grounds", within the exterior boundaries of  
7 that municipality;

8 (3) outside the boundaries of any municipality  
9 on land owned by that municipality; and

10 (4) on an Indian reservation or pueblo grant  
11 in an area that is contiguous to that municipality and in which  
12 the municipality performs services pursuant to a contract  
13 between the municipality and the Indian tribe or Indian pueblo  
14 if:

15 (a) the contract describes an area in  
16 which the municipality is required to perform services and  
17 requires the municipality to perform services that are  
18 substantially the same as the services the municipality  
19 performs for itself; and

20 (b) the governing body of the  
21 municipality has submitted a copy of the contract to the  
22 secretary.

23 B. If the reduction made by Laws 1991, Chapter 9,  
24 Section 9 to the distribution under this section impairs the  
25 ability of a municipality to meet its principal or interest

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1 payment obligations for revenue bonds outstanding prior to July  
2 1, 1991 that are secured by the pledge of all or part of the  
3 municipality's revenue from the distribution made under this  
4 section, then the amount distributed pursuant to this section  
5 to that municipality shall be increased by an amount sufficient  
6 to meet any required payment, provided that the distribution  
7 amount does not exceed the amount that would have been due that  
8 municipality under this section as it was in effect on June 30,  
9 1992. "

10 Section 2. Section 7-9-4 NMSA 1978 (being Laws 1966,  
11 Chapter 47, Section 4, as amended) is amended to read:

12 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS  
13 "GROSS RECEIPTS TAX".--

14 A. Except during the period beginning on November  
15 1, 2005 and ending on January 31, 2006, for the privilege of  
16 engaging in business, an excise tax equal to five percent of  
17 gross receipts is imposed on any person engaging in business in  
18 New Mexico.

19 B. During the period beginning on November 1, 2005  
20 and ending on January 31, 2006, for the privilege of engaging  
21 in business, an excise tax equal to four percent of gross  
22 receipts is imposed on any person engaging in business in New  
23 Mexico.

24 [~~B.~~] C. The tax imposed by this section shall be  
25 referred to as the "gross receipts tax". "

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Section 3. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.

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