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HOUSE BILL 626

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO TAXATION; EXTENDING THE PERIOD IN WHICH AN
INVESTMENT CREDIT MAY BE CLAIMED.

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

Section 1. Section 7-9A-7 NMSA 1978 (being Laws 1979,
Chapter 347, Section 7, as amended by Laws 2001, Chapter 57,
Section 3 and by Laws 2001, Chapter 337, Section 3) is amended
to read:

"7-9A-7. VALUE OF QUALIFIED EQUIPMENT.--

A. Prior to July 1, [~~2011~~] 2016, the value of
qualified equipment shall be the adjusted basis established for
the equipment under the applicable provisions of the Internal
Revenue Code of 1986.

B. After June 30, [~~2011~~] 2016, the value of
qualified equipment shall be the purchase price of the

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1 equipment unless the equipment is introduced into New Mexico
2 and has been owned for more than one year prior to its
3 introduction into New Mexico by the taxpayer applying for the
4 credit, in which case the value shall be the reasonable value
5 of the equipment at the time of its introduction into New
6 Mexico; provided that no taxpayer shall for any taxable year
7 claim a value of qualified equipment greater than two million
8 dollars (\$2,000,000)."

9 Section 2. Section 7-9A-7.1 NMSA 1978 (being Laws 1983,
10 Chapter 206, Section 6, as amended) is amended to read:

11 "7-9A-7.1. EMPLOYMENT REQUIREMENTS.--

12 A. Prior to July 1, [~~2011~~] 2016, to be eligible to
13 claim a credit pursuant to the Investment Credit Act, the
14 taxpayer shall employ the equivalent of one full-time employee
15 who has not been counted to meet this employment requirement
16 for any prior claim in addition to the number of full-time
17 employees employed on the day one year prior to the day on
18 which the taxpayer applies for the credit for every:

19 (1) five hundred thousand dollars (\$500,000),
20 or portion of that amount, in value of qualified equipment
21 claimed by the taxpayer in a taxable year in the same claim, up
22 to a value of thirty million dollars (\$30,000,000); and

23 (2) one million dollars (\$1,000,000), or
24 portion of that amount, in value of qualified equipment over
25 thirty million dollars (\$30,000,000) claimed by the taxpayer in

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underscoring material = new
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1 a taxable year in the same claim.

2 B. After June 30, [~~2011~~] 2016, for every one
3 hundred thousand dollars (\$100,000) in value of qualified
4 equipment claimed by a taxpayer in a taxable year, the taxpayer
5 shall employ the equivalent of one full-time employee in
6 addition to the number of full-time employees employed on the
7 day one year prior to the day on which the taxpayer applies for
8 credit.

9 C. The department may require evidence showing
10 compliance with this section. The department may find that an
11 additional employee meets the requirements of this section,
12 although employed earlier than one year prior to the day on
13 which the taxpayer applies for the credit, if [~~he~~] the employee
14 was only being trained prior to that date or [~~his~~] the
15 employee's employment [~~is~~] was necessitated by the use of the
16 qualified equipment."