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HOUSE BILL 29

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Jim R. Trujillo

AN ACT

RELATING TO TAXATION; EXTENDING THE RESEARCH AND DEVELOPMENT
SMALL BUSINESS TAX CREDIT UNTIL 2014.

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

Section 1. Section 7-9H-1 NMSA 1978 (being Laws 2005,
Chapter 104, Section 11) is amended to read:

"7-9H-1. SHORT TITLE.--~~[Sections 11 through 16 of this
act]~~ Chapter 7, Article 9H NMSA 1978 may be cited as the
"Research and Development Small Business Tax Credit Act"."

Section 2. Section 7-9H-3 NMSA 1978 (being Laws 2005,
Chapter 104, Section 13) is amended to read:

"7-9H-3. RESEARCH AND DEVELOPMENT SMALL BUSINESS TAX
CREDIT--AMOUNT--ELIGIBILITY.--

A. Until June 30, ~~[2009]~~ 2014, a taxpayer that is a
qualified research and development small business is eligible

underscored material = new
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1 for a credit in a reporting period in an amount equal to the
2 sum of all gross receipts taxes, compensating taxes or
3 withholding taxes due to the state or payable by the taxpayer
4 with respect to that business for that reporting period. The
5 credit provided in this section may be referred to as the
6 "research and development small business tax credit".

7 B. A taxpayer is not eligible for the credit with
8 respect to a reporting period month:

9 (1) before July 2005;

10 (2) that is more than thirty-five consecutive
11 calendar months after the first month for which a claim for the
12 credit is made by the taxpayer or by a person to whom the
13 taxpayer is a successor, pursuant to Section 7-1-61 NMSA 1978;

14 (3) after which the qualified research and
15 development small business employs more than twenty-five
16 employees on a full-time-equivalent basis;

17 (4) in a fiscal year of the qualified research
18 and development small business after the first fiscal year in
19 which that business has total revenues in excess of five
20 million dollars (\$5,000,000);

21 (5) after the calendar month in which more
22 than fifty percent of the qualified research and development
23 small business' voting securities or other equity interests
24 having the right to designate or elect the board of directors
25 or other governing body of that business are owned directly or

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[bracketed material] = delete

1 indirectly by another business;

2 (6) if the business was not a qualified
3 research and development small business in the twelve-calendar-
4 month period ending with that calendar month;

5 (7) during which the taxpayer is the
6 beneficiary of an industrial revenue bond issued by a
7 municipality or county; or

8 (8) during which the taxpayer sold any goods
9 of which the taxpayer is not the manufacturer, unless the
10 taxpayer has received an appropriate nontaxable transaction
11 certificate for such sale or sales."