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SENATE BILL 81

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

INTRODUCED BY

Steven P. Neville

AN ACT

RELATING TO TAXATION; AMENDING THE GROSS RECEIPTS AND
COMPENSATING TAX ACT TO EXPAND THE DEFINITION OF RETAIL FOOD
STORE FOR PURPOSES OF THE DEDUCTION FOR RECEIPTS FROM THE SALE
OF FOOD.

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

Section 1. Section 7-9-92 NMSA 1978 (being Laws 2004,
Chapter 116, Section 5) is amended to read:

"7-9-92. DEDUCTION--GROSS RECEIPTS--SALE OF FOOD AT
RETAIL FOOD STORE.--

A. Receipts from the sale of food at a retail food
store that are not exempt from gross receipts taxation and are
not deductible pursuant to another provision of the Gross
Receipts and Compensating Tax Act may be deducted from gross
receipts. The deduction provided by this section shall be

.180709.2

underscoring material = new
~~[bracketed material] = delete~~

underscored material = new
[bracketed material] = delete

1 separately stated by the taxpayer.

2 B. For the purposes of this section:

3 (1) "food" means any food or food product for
4 home consumption that meets the definition of food in 7 USCA
5 2012[~~(g)~~](k)(1) for purposes of the federal [~~food stamp~~]
6 supplement nutritional assistance program; and

7 (2) "retail food store" means an establishment
8 that sells food for home preparation and consumption and that
9 meets the definition of retail food store in 7 USCA 2012[~~(k)~~]
10 (p)(1) for purposes of the federal [~~food stamp~~] supplemental
11 nutritional assistance program, whether or not the
12 establishment participates in the [~~food stamp~~] program;
13 provided, however, that if more than seventy-five percent of
14 the total sales of the establishment consists of bottled water,
15 ice and coffee, the establishment shall be considered a "retail
16 food store" for the purposes of this section."

17 Section 2. EFFECTIVE DATE.--The effective date of the
18 provisions of this act is July 1, 2010.