

1 SENATE BILL 342

2 **50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

3 INTRODUCED BY

4 Eric G. Griego

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A CREDIT AGAINST GROSS RECEIPTS  
12 TAX LIABILITIES FOR RADIO STATIONS AIRING WORK OF LOCAL  
13 MUSICIANS.

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

16 SECTION 1. A new section of the Gross Receipts and  
17 Compensating Tax Act is enacted to read:

18 "[NEW MATERIAL] CREDIT--RADIO STATIONS--NEW MEXICO MUSIC  
19 CREDIT.--

20 A. A radio station that owes gross receipts tax in  
21 New Mexico in any reporting period may claim a credit against  
22 the gross receipts tax liability of the radio station equal to  
23 fifteen percent of the gross receipts tax liability of the  
24 radio station from advertising and other sales made by the  
25 radio station if the radio station during the reporting period

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1 includes in its daily programming New Mexico musical acts for  
2 at least twenty percent of its time on the air. The tax credit  
3 provided in this section may be referred to as the "New Mexico  
4 music tax credit".

5 B. The gross receipts tax credit provided in this  
6 section is created to increase visibility of New Mexico  
7 musicians with the public and the music industry and provide  
8 enhanced exposure for the music of musicians living or working  
9 in New Mexico. The music commission is the responsible agency  
10 and shall fulfill the duties assigned to a "responsible agency"  
11 in Section 9-15-56 NMSA 1978.

12 C. A radio station claiming the New Mexico music  
13 tax credit shall track the time dedicated to airing New Mexico  
14 musical acts and provide an accounting with the radio station's  
15 gross receipts tax report to the department and a copy of the  
16 accounting to the music commission no later than the twenty-  
17 fifth day of the month following the month in which the  
18 programming was aired.

19 D. Beginning in 2012, the music commission and the  
20 department shall compile an annual report for the revenue  
21 stabilization and tax policy committee and the legislative  
22 finance committee regarding the use of the New Mexico music tax  
23 credit, including the aggregate amount claimed pursuant to that  
24 credit, the number of radio stations claiming the credit, the  
25 number of jobs created that can be attributed specifically to

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1 the New Mexico music tax credit, the total number of hours of  
2 programming of New Mexico musical acts in the year compared to  
3 the total number of programmed hours reported by radio stations  
4 claiming the credit, information regarding the sales or use of  
5 music made or produced by New Mexico musicians and any other  
6 information deemed necessary by the commission and the  
7 department to assess the effectiveness of the credit. The  
8 report shall be submitted to the committees no later than  
9 November 1 of each year.

10 E. Acceptance of the New Mexico music tax credit by  
11 a taxpayer is a waiver of confidentiality regarding the  
12 information deemed necessary by the music commission or the  
13 department to assess the effectiveness of the New Mexico music  
14 tax credit that may be included in the report to the committees  
15 pursuant to Subsection D of this section.

16 F. The revenue stabilization and tax policy  
17 committee shall review the effectiveness of the New Mexico  
18 music tax credit every four years beginning in 2016.

19 G. As used in this section:

20 (1) "New Mexico musical act" means music  
21 produced in New Mexico, the music made or recorded by musicians  
22 living in New Mexico or live musical performances by musicians  
23 whose primary place of residence is New Mexico;

24 (2) "prepare for transmission" means choose  
25 the content, organize the order of presentation, provide play

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1 lists for the public and others and transmit with intermittent  
2 interruptions for commentary that enriches the programming; and

3 (3) "radio station" means a business:  
4 (a) that is located in New Mexico;  
5 (b) that pays gross receipts tax in New  
6 Mexico;

7 (c) that transmits programming from its  
8 location in New Mexico to receivers that are radios, computers  
9 or other electronic devices; and

10 (d) whose personnel are located in New  
11 Mexico and prepare for transmission the programming that is  
12 transmitted from the radio station's location in New Mexico."

13 SECTION 2. EFFECTIVE DATE.--The effective date of the  
14 provisions of this act is July 1, 2011.