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HOUSE BILL 89

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

INTRODUCED BY

Edward C. Sandoval and David Ulibarri

ENDORSED BY THE MILITARY AND VETERANS' AFFAIRS COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING THAT RECEIPTS OF VETERAN-OWNED  
BUSINESSES FROM WORK PERFORMED FOR THE FEDERAL GOVERNMENT MAY  
BE DEDUCTED FROM GROSS RECEIPTS.

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

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

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--VETERAN-  
OWNED BUSINESSES.--

A. The receipts received from the federal  
government for services conducted pursuant to a contract or  
subcontract with the federal government may be deducted from  
the gross receipts of a veteran-owned business.

B. As used in this section:

(1) "veteran" means a person who served in the

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1 armed forces of the United States and who was discharged or  
2 released from service under conditions other than dishonorable;  
3 and

4 (2) "veteran-owned business" means a business  
5 entity that:

6 (a) is authorized to do and is doing  
7 business under the laws of the state;

8 (b) maintains its principal place of  
9 business in New Mexico; and

10 (c) not less than fifty-one percent is  
11 owned by a veteran."

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