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HOUSE BILL 159

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

INTRODUCED BY

Larry A. Larrañaga

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM THE GROSS RECEIPTS TAX FOR SERVICES PROVIDED TO THE UNITED STATES DEPARTMENT OF DEFENSE RELATED TO DIRECTED ENERGY OR SATELLITES.

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--SERVICES AND PRODUCTS FOR THE DEPARTMENT OF DEFENSE RELATED TO DIRECTED ENERGY AND SATELLITES.--

A. Receipts from the sale of research and development services related to directed energy or satellites when sold pursuant to a contract with the United States department of defense may be deducted from gross receipts.

B. Receipts from the sale of directed energy and

underscoring material = new  
[bracketed material] = delete

1 satellite-related inputs when sold to a contractor providing  
2 research and development services related to directed energy or  
3 satellites pursuant to a contract with the United States  
4 department of defense may be deducted from gross receipts.

5 C. The purpose of the deductions allowed in this  
6 section is to promote new and sophisticated technology, enhance  
7 the viability of existing directed energy and satellite  
8 projects and attract new projects to New Mexico with  
9 concomitant high-technology employment opportunities.

10 D. As used in this section:

11 (1) "directed energy" means a system,  
12 including related services, that enables the use of the  
13 frequency spectrum, including radio waves, light and x-rays;

14 (2) "directed energy and satellite-related  
15 inputs" means systems, subsystems, components, prototypes and  
16 demonstrators or products and services involving optics,  
17 photonics, electronics, advanced materials,  
18 nanoelectromechanical and microelectromechanical systems,  
19 fabrication materials, test evaluation and computer control  
20 systems related to directed energy or satellites; and

21 (3) "satellite" means composite systems  
22 assembled and packaged for use in space, including launch  
23 vehicles and related products and services."

24 SECTION 2. APPLICABILITY.--The deductions pursuant to  
25 this act apply to gross receipts that are attributable to

.188659.1

underscored material = new  
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1 transactions subject to the gross receipts tax on and after  
2 July 1, 2012.

3 SECTION 3. EFFECTIVE DATE.--The effective date of the  
4 provisions of this act is July 1, 2012.

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