

HOUSE BILL 256

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

INTRODUCED BY

Conrad D. James

AN ACT

RELATING TO TAXATION; EXPANDING A DEDUCTION FROM GROSS RECEIPTS FOR TANGIBLE PERSONAL PROPERTY TO INCLUDE PROPERTY CONSUMED IN THE PROCESS OF MANUFACTURING.

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

SECTION 1. Section 7-9-46 NMSA 1978 (being Laws 1969, Chapter 144, Section 36, as amended) is amended to read:

"7-9-46. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL GROSS RECEIPTS--SALES TO MANUFACTURERS.--

A. Receipts from selling tangible personal property may be deducted from gross receipts or from governmental gross receipts if the sale is made to a person engaged in the business of manufacturing who delivers a nontaxable transaction certificate to the seller.

B. The buyer delivering the nontaxable transaction

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certificate must:

(1) incorporate the tangible personal property as an ingredient or component part of the product that ~~he~~ the buyer is in the business of manufacturing; or

(2) use the property in such a way that it is consumed in the manufacturing process; provided that the tangible personal property is not a tool or equipment used to create the manufactured product."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is January 1, 2013.