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SENATE BILL 302

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

George K. Munoz

AN ACT

RELATING TO TAXATION; REMOVING A RESTRICTION IN THE DEFINITION
OF "CONTROL" IN A GROSS RECEIPTS TAX DEDUCTION FOR
ADMINISTRATIVE AND ACCOUNTING SERVICES.

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

SECTION 1. Section 7-9-69 NMSA 1978 (being Laws 1969,
Chapter 144, Section 61, as amended) is amended to read:

"7-9-69. DEDUCTION--GROSS RECEIPTS TAX--ADMINISTRATIVE
AND ACCOUNTING SERVICES.--

A. Receipts of a business entity for
administrative, managerial, accounting and customer services
performed by it for an affiliate upon a nonprofit or cost basis
and receipts of a business entity from an affiliate for the
joint use or sharing of office machines and facilities upon a
nonprofit or cost basis may be deducted from gross receipts.

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B. For the purposes of this section:

(1) "affiliate" means a business entity that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with another business entity;

(2) "business entity" means a corporation, limited liability company, partnership, limited partnership, limited liability partnership or real estate investment trust, but does not mean an individual or a joint venture; and

(3) "control" means equity ownership in a business entity that:

(a) represents at least fifty percent of the total voting power of that business entity; ~~and~~ or

(b) has a value equal to at least fifty percent of the total equity of that business entity."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2015.