

HOUSE BILL 79

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

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Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS FOR RETAIL SALES MADE ON THE FIRST SATURDAY AFTER THANKSGIVING BY CERTAIN BUSINESSES.

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--RETAIL SALES BY CERTAIN BUSINESSES.--

Sf1 → ~~SFG → A. Receipts from the sale at retail of~~

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~~tangible personal property may be deducted if:~~

~~(1) the sale occurs during the period~~

~~beginning at 12:01 a.m. on the first Saturday after~~

~~Thanksgiving day and ending at midnight on the same Saturday;~~

~~and~~

~~(2) the sale is made by a seller that employed~~

~~no more than twenty-five employees in New Mexico in the~~

~~previous fiscal year. ←SFC~~

~~SFC →A. Prior to July 1, 2023, receipts from the sale at~~

~~retail of the following types of tangible personal property may~~

~~be deducted if the sales price of the property is less than~~

~~five hundred dollars (\$500) and:~~

~~(1) the sale occurs during the period~~

~~beginning at 12:01 a.m. on the first Saturday after~~

~~Thanksgiving and ending at midnight on the same Saturday;~~

~~(2) the sale is for:~~

~~(a) an article of clothing or footwear~~

~~designed to be worn on or about the human body;~~

~~(b) accessories, including jewelry,~~

~~handbags, book bags, backpacks, luggage, wallets, watches and~~

~~similar items worn or carried on or about the human body,~~

~~without regard to whether worn on the body in a manner~~

~~characteristic of clothing;~~

~~(c) sporting goods and camping~~

~~equipment;~~

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~~(d) tools used for home improvement, gardening and automotive maintenance and repair;~~

~~(e) books, journals, paper, writing instruments, art supplies, greeting cards and postcards;~~

~~(f) works of art, including any painting, drawing, print, photograph, sculpture, pottery or ceramics, carving, textile, basketry, artifact, natural specimen, rare book, authors' papers, objects of historical or technical interest or other article of intrinsic cultural value;~~

~~(g) floral arrangements and indoor plants;~~

~~(h) cosmetics and personal grooming items;~~

~~(i) musical instruments;~~

~~(j) cookware and small home appliances for residential use;~~

~~(k) bedding, towels and bath accessories;~~

~~(l) furniture;~~

~~(m) a toy or game that is a physical item, product or object clearly intended and designed to be used by children or families in play;~~

~~(n) a video game or video game console and any associated accessories for the video game console; or~~

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~~(o) home electronics such as computers, phones, tablets, stereo equipment and related electronics accessories; and~~

~~(3) the sale is made by a seller that carries on a trade or business in New Mexico, maintains its primary place of business in New Mexico, as determined by the department, and employed no more than ten employees at any one time during the previous fiscal year.~~ ←SFC←Sf1

Sf1→A. Prior to July 1, 2020, receipts from the sale at retail of the following types of tangible personal property may be deducted if the sales price of the property is less than five hundred dollars (\$500) and:

(1) the sale occurs during the period beginning at 12:01 a.m. on the first Saturday after Thanksgiving and ending at midnight on the same Saturday;

(2) the sale is for:

(a) an article of clothing or footwear designed to be worn on or about the human body;

(b) accessories, including jewelry, handbags, book bags, backpacks, luggage, wallets, watches and similar items worn or carried on or about the human body, without regard to whether worn on the body in a manner characteristic of clothing;

(c) sporting goods and camping equipment;

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(d) tools used for home improvement, gardening and automotive maintenance and repair;

(e) books, journals, paper, writing instruments, art supplies, greeting cards and postcards;

(f) works of art, including any painting, drawing, print, photograph, sculpture, pottery or ceramics, carving, textile, basketry, artifact, natural specimen, rare book, authors' papers, objects of historical or technical interest or other article of intrinsic cultural value;

(g) floral arrangements and indoor plants;

(h) cosmetics and personal grooming items;

(i) musical instruments;

(j) cookware and small home appliances for residential use;

(k) bedding, towels and bath accessories;

(l) furniture;

(m) a toy or game that is a physical item, product or object clearly intended and designed to be used by children or families in play;

(n) a video game or video game console and any associated accessories for the video game console; or

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(o) home electronics such as computers, phones, tablets, stereo equipment and related electronics accessories; and

(3) the sale is made by a seller that carries on a trade or business in New Mexico, maintains its primary place of business in New Mexico, as determined by the department, and employed no more than ten employees at any one time during the previous fiscal year.

B. Receipts for sales made by a business that operates under a franchise agreement may not be deducted pursuant to this section.←Sf1

Sf1→B C←Sf1. The purpose of the deduction provided by this section is to increase sales at small local businesses.

Sf1→C D←Sf1. A taxpayer allowed a deduction pursuant to this section shall report the amount of the deduction separately in a manner required by the department.

Sf1→D E←Sf1. The department shall compile an annual report on the deduction provided by this section that shall include the number of taxpayers that claimed the deduction, the aggregate amount of deductions claimed and any other information necessary to evaluate the effectiveness of the deduction. The department shall SFC→~~compile and~~←SFC present the annual SFC→~~reports~~ report←SFC to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the effectiveness and

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cost of the deduction and whether the deduction is performing the purpose for which it was created."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2018.