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HOUSE BILL 79

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

INTRODUCED BY

Doreen Y. Gallegos and Steven P. Neville

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.--

A. Receipts from the sale at retail of 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

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1                   (2) the sale is made by a seller that employed  
2 no more than twenty-five employees in New Mexico in the  
3 previous fiscal year.

4                   B. The purpose of the deduction provided by this  
5 section is to increase sales at small local businesses.

6                   C. A taxpayer allowed a deduction pursuant to this  
7 section shall report the amount of the deduction separately in  
8 a manner required by the department.

9                   D. The department shall compile an annual report on  
10 the deduction provided by this section that shall include the  
11 number of taxpayers that claimed the deduction, the aggregate  
12 amount of deductions claimed and any other information  
13 necessary to evaluate the effectiveness of the deduction. The  
14 department shall compile and present the annual reports to the  
15 revenue stabilization and tax policy committee and the  
16 legislative finance committee with an analysis of the  
17 effectiveness and cost of the deduction and whether the  
18 deduction is performing the purpose for which it was created."

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