

1 HOUSE BILL 198

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

3 INTRODUCED BY

4 Roberto "Bobby" J. Gonzales

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10 AN ACT

11 RELATING TO TAXATION; MAKING TECHNICAL CLEANUP CHANGES TO
12 MULTIPLE TAX ACTS; REVISING PROCEDURES TO ADJUST DISTRIBUTIONS
13 OR TRANSFERS TO LOCAL GOVERNMENTS; REVISING ALLOCATION AND
14 APPORTIONMENT PROVISIONS ON SERVICES FOR INCOME TAXES;
15 REQUIRING INCOME RECEIVED FROM PASS-THROUGH ENTITIES TO BE
16 ALLOCATED AND APPORTIONED BASED ON COMMERCIAL DOMICILE AND
17 FACTORS OF THE ENTITIES; REQUIRING THE DETERMINATION OF
18 IN-STATE SALES OF INTANGIBLES AND SERVICES TO BE BASED ON
19 MARKET SOURCING RATHER THAN COST OF PERFORMANCE; APPLYING THE
20 GROSS RECEIPTS TAX TO SALES BY OUT-OF-STATE VENDORS TO NEW
21 MEXICO BUYERS; REDUCING THE GROSS RECEIPTS TAX RATE; LIMITING
22 THE NONPROFIT GROSS RECEIPTS TAX EXEMPTION TO CERTAIN NONPROFIT
23 ORGANIZATIONS AND CREATING A DEDUCTION FROM GROSS RECEIPTS AND
24 COMPENSATING TAX FOR OTHER NONPROFIT ORGANIZATIONS; CONVERTING
25 THE FOOD AND HEALTH CARE PRACTITIONER DEDUCTIONS FROM GROSS

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1 RECEIPTS TO CREDITS AGAINST THE STATE GROSS RECEIPTS TAX AND
2 REPEALING THE HOLD HARMLESS DISTRIBUTIONS; ALIGNING THE
3 COMPENSATING TAX RATE WITH THE GROSS RECEIPTS TAX RATE;
4 IMPOSING THE COMPENSATING TAX ON LICENSES, FRANCHISES AND
5 SERVICES USED IN NEW MEXICO; IMPOSING MUNICIPAL AND COUNTY
6 COMPENSATING TAXES; CONVERTING A MUNICIPAL DISTRIBUTION TO A
7 REDUCED MUNICIPAL GROSS RECEIPTS TAX RATE; REPEALING CERTAIN
8 DISTRIBUTIONS AND TAX CREDITS, DEDUCTIONS AND EXEMPTIONS;
9 MAKING AN APPROPRIATION.

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

12 SECTION 1. Section 4-61-2 NMSA 1978 (being Laws 1982,
13 Chapter 44, Section 2, as amended) is amended to read:

14 "4-61-2. DEFINITIONS.--As used in the Small Counties
15 Assistance Act:

16 A. "adjustment factor" means a fraction, the
17 numerator of which is the net taxable value of the state for
18 the property tax year prior to the year in which the amount of
19 small counties assistance is being determined and the
20 denominator of which is the net taxable value for property tax
21 year 2002; the adjustment factor shall be calculated without
22 reference to assessed value determined pursuant to the Oil and
23 Gas Ad Valorem Production Tax Act, assessed value determined
24 pursuant to the Oil and Gas Production Equipment Ad Valorem Tax
25 Act or taxable value determined pursuant to the Copper

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1 Production Ad Valorem Tax Act;

2 B. "ceiling valuation" means:

3 (1) for the 2002 property tax year, one
4 billion four hundred million dollars (\$1,400,000,000); and

5 (2) for each subsequent property tax year, an
6 amount equal to the product obtained by multiplying one billion
7 four hundred million dollars (\$1,400,000,000) by the adjustment
8 factor for the year;

9 C. "demographer" means the bureau of business and
10 economic research at the university of New Mexico;

11 D. "inflation factor" means a fraction whose
12 numerator is the annual implicit price deflator index for state
13 and local government purchases of goods and services, as
14 published in the United States department of commerce monthly
15 publication entitled "Survey of Current Business" or any
16 successor publication prepared by an agency of the United
17 States and adopted by the department of finance and
18 administration, for the calendar year one year prior to the
19 year in which the distribution is to be made and whose
20 denominator is the annual index for calendar year 2004;
21 provided that, if the inflation factor is calculated to have a
22 value less than one, it shall be deemed to have a value of one;

23 E. "population" means the official population shown
24 by the most recent federal decennial census, or if there is a
25 change in boundaries after the date of the census, "population"

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1 for each affected unit shall be the most current estimated
2 population for that unit provided in writing by the
3 demographer; provided that after five years from the first day
4 of the calendar year of the most recent federal decennial
5 census, that census shall not be used, and "population" for the
6 period from that date until the date when the next following
7 official final decennial census population data are available
8 shall be the most current estimated population provided in
9 writing by the demographer;

10 F. "qualifying county" means a county that has:

11 (1) for the property tax year in which any
12 distribution under the Small Counties Assistance Act is made to
13 the county, imposed a property tax rate for general county
14 purposes pursuant to Paragraph (1) of Subsection B of Section
15 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of at
16 least eight dollars eighty-five cents (\$8.85) per one thousand
17 dollars (\$1,000) of net taxable value;

18 (2) by July 1 of the property tax year in
19 which any distribution under the Small Counties Assistance Act
20 is made to the county, received a written certification from
21 the director of the property tax division of the taxation and
22 revenue department that the county assessor of that county has
23 implemented an acceptable program of maintaining current and
24 correct property values for property taxation purposes as
25 required by Section 7-36-16 NMSA 1978 or has submitted to the

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1 director an acceptable plan for the implementation of such a
2 program;

3 (3) on July 1 of the year in which any
4 distribution under the Small Counties Assistance Act is made to
5 the county, a population of not more than forty-eight thousand;

6 (4) imposed county gross receipts tax
7 increments authorized pursuant to Section 7-20E-9 NMSA 1978
8 totaling at least three-eighths percent and has those
9 increments in effect on July 1 of the year in which a
10 distribution is made; provided that this paragraph does not
11 apply to a county if the county's valuation for property
12 taxation purposes does not exceed the product of two hundred
13 thirty million dollars (\$230,000,000) multiplied by the
14 adjustment factor for the year; and

15 (5) a total valuation for the property tax
16 year preceding the year in which a distribution pursuant to the
17 Small Counties Assistance Act for that county is to be made
18 that is no greater than the ceiling valuation for that property
19 tax year;

20 G. "tax rate factor" means [~~a fraction, the~~
21 ~~numerator of which is the average rate imposed in Section 7-9-7~~
22 ~~NMSA 1978 for the fiscal year one year prior to the fiscal year~~
23 ~~in which the distribution is to be made and the denominator of~~
24 ~~which is five] one and twenty-five hundredths percent; and~~

25 H. "total valuation" means the sum for a

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1 jurisdiction for a property tax year of the net taxable value
2 determined pursuant to the Property Tax Code, the assessed
3 value determined pursuant to the Oil and Gas Ad Valorem
4 Production Tax Act, the assessed value determined pursuant to
5 the Oil and Gas Production Equipment Ad Valorem Tax Act and the
6 taxable value determined pursuant to the Copper Production Ad
7 Valorem Tax Act."

8 SECTION 2. Section 7-1-2 NMSA 1978 (being Laws 1965,
9 Chapter 248, Section 2, as amended) is amended to read:

10 "7-1-2. APPLICABILITY.--The Tax Administration Act
11 applies to and governs:

12 A. the administration and enforcement of the
13 following taxes or tax acts as they now exist or may hereafter
14 be amended:

- 15 (1) Income Tax Act;
- 16 (2) Withholding Tax Act;
- 17 (3) ~~[Venture Capital Investment Act]~~ Oil and
18 Gas Proceeds and Pass-Through Entity Withholding Tax Act;
- 19 (4) Gross Receipts and Compensating Tax Act
20 and any state gross receipts tax;
- 21 (5) Liquor Excise Tax Act;
- 22 (6) Local Liquor Excise Tax Act;
- 23 (7) any municipal local option gross receipts
24 or compensating tax;
- 25 (8) any county local option gross receipts or

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1 compensating tax;

2 (9) Special Fuels Supplier Tax Act;

3 (10) Gasoline Tax Act;

4 (11) petroleum products loading fee, which fee
5 shall be considered a tax for the purpose of the Tax

6 Administration Act;

7 (12) Alternative Fuel Tax Act;

8 (13) Cigarette Tax Act;

9 (14) Estate Tax Act;

10 (15) Railroad Car Company Tax Act;

11 (16) Investment Credit Act, rural job tax
12 credit, Laboratory Partnership with Small Business Tax Credit
13 Act, Technology Jobs and Research and Development Tax Credit
14 Act, Film Production Tax Credit Act, Affordable Housing Tax
15 Credit Act and high-wage jobs tax credit;

16 (17) Corporate Income and Franchise Tax Act;

17 (18) Uniform Division of Income for Tax
18 Purposes Act;

19 (19) Multistate Tax Compact;

20 (20) Tobacco Products Tax Act; and

21 (21) the telecommunications relay service
22 surcharge imposed by Section 63-9F-11 NMSA 1978, which
23 surcharge shall be considered a tax for the purposes of the Tax
24 Administration Act;

25 B. the administration and enforcement of the

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1 following taxes, surtaxes, advanced payments or tax acts as
2 they now exist or may hereafter be amended:

- 3 (1) Resources Excise Tax Act;
- 4 (2) Severance Tax Act;
- 5 (3) any severance surtax;
- 6 (4) Oil and Gas Severance Tax Act;
- 7 (5) Oil and Gas Conservation Tax Act;
- 8 (6) Oil and Gas Emergency School Tax Act;
- 9 (7) Oil and Gas Ad Valorem Production Tax Act;
- 10 (8) Natural Gas Processors Tax Act;
- 11 (9) Oil and Gas Production Equipment Ad

12 Valorem Tax Act;

- 13 (10) Copper Production Ad Valorem Tax Act;

14 (11) any advance payment required to be made
15 by any act specified in this subsection, which advance payment
16 shall be considered a tax for the purposes of the Tax

17 Administration Act;

- 18 (12) Enhanced Oil Recovery Act;

19 (13) Natural Gas and Crude Oil Production
20 Incentive Act; and

- 21 (14) intergovernmental production tax credit
22 and intergovernmental production equipment tax credit;

23 C. the administration and enforcement of the
24 following taxes, surcharges, fees or acts as they now exist or
25 may hereafter be amended:

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- 1 (1) Weight Distance Tax Act;
- 2 (2) the workers' compensation fee authorized
3 by Section 52-5-19 NMSA 1978, which fee shall be considered a
4 tax for purposes of the Tax Administration Act;
- 5 (3) Uniform Unclaimed Property Act (1995);
- 6 (4) 911 emergency surcharge and the network
7 and database surcharge, which surcharges shall be considered
8 taxes for purposes of the Tax Administration Act;
- 9 (5) the solid waste assessment fee authorized
10 by the Solid Waste Act, which fee shall be considered a tax for
11 purposes of the Tax Administration Act;
- 12 (6) the water conservation fee imposed by
13 Section 74-1-13 NMSA 1978, which fee shall be considered a tax
14 for the purposes of the Tax Administration Act; and
- 15 (7) the gaming tax imposed pursuant to the
16 Gaming Control Act; and

17 D. the administration and enforcement of all other
18 laws, with respect to which the department is charged with
19 responsibilities pursuant to the Tax Administration Act, but
20 only to the extent that the other laws do not conflict with the
21 Tax Administration Act."

22 SECTION 3. Section 7-1-3 NMSA 1978 (being Laws 1965,
23 Chapter 248, Section 3, as amended) is amended to read:

24 "7-1-3. DEFINITIONS.--Unless the context clearly
25 indicates a different meaning, the definitions of words and

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1 phrases as they are stated in this section are to be used, and
2 whenever in the Tax Administration Act these words and phrases
3 appear, the singular includes the plural and the plural
4 includes the singular:

5 A. "automated clearinghouse transaction" means an
6 electronic credit or debit transmitted through an automated
7 clearinghouse payable to the state treasurer and deposited with
8 the fiscal agent of New Mexico;

9 B. "department" means the taxation and revenue
10 department, the secretary or any employee of the department
11 exercising authority lawfully delegated to that employee by the
12 secretary;

13 C. "electronic payment" means a payment made by
14 automated clearinghouse deposit, any funds wire transfer system
15 or a credit card, debit card or electronic cash transaction
16 through the internet;

17 D. "employee of the department" means any employee
18 of the department, including the secretary, or any person
19 acting as agent or authorized to represent or perform services
20 for the department in any capacity with respect to any law made
21 subject to administration and enforcement under the provisions
22 of the Tax Administration Act;

23 E. "financial institution" means any state or
24 federally chartered, federally insured depository institution;

25 F. "hearing officer" means a person who has been

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1 designated by the chief hearing officer to serve as a hearing
2 officer and who is:

3 (1) the chief hearing officer;
4 (2) an employee of the administrative hearings
5 office; or

6 (3) a contractor of the administrative
7 hearings office;

8 G. "Internal Revenue Code" means the Internal
9 Revenue Code of 1986, as that code may be amended or its
10 sections renumbered;

11 H. "levy" means the lawful power, hereby invested
12 in the secretary, to take into possession or to require the
13 present or future surrender to the secretary or the secretary's
14 delegate of any property or rights to property belonging to a
15 delinquent taxpayer;

16 I. "local option compensating tax" means the
17 municipal compensating tax or the county compensating tax;

18 [~~F.~~] J. "local option gross receipts tax" means a
19 tax authorized to be imposed by a county or municipality upon
20 the taxpayer's gross receipts, as that term is defined in the
21 Gross Receipts and Compensating Tax Act, and required to be
22 collected by the department at the same time and in the same
23 manner as the gross receipts tax; "local option gross receipts
24 tax" includes the gross receipts taxes imposed pursuant to the
25 Municipal Local Option Gross Receipts [~~Taxes~~] and Compensating

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1 Tax Act, Supplemental Municipal Gross Receipts Tax Act, County
2 Local Option Gross Receipts [~~Taxes~~] and Compensating Tax Act,
3 Local Hospital Gross Receipts Tax Act and County Correctional
4 Facility Gross Receipts Tax Act and such other acts as may be
5 enacted authorizing counties or municipalities to impose taxes
6 on gross receipts, which taxes are to be collected by the
7 department in the same time and in the same manner as it
8 collects the gross receipts tax;

9 [~~J.~~] K. "managed audit" means a review and analysis
10 conducted by a taxpayer under an agreement with the department
11 to determine the taxpayer's compliance with a tax administered
12 pursuant to the Tax Administration Act and the presentation of
13 the results to the department for assessment of tax found to be
14 due;

15 [~~K.~~] L. "net receipts" means the total amount of
16 money paid by taxpayers to the department in a month pursuant
17 to a tax or tax act less any refunds disbursed in that month
18 with respect to that tax or tax act;

19 [~~L.~~] M. "overpayment" means an amount paid,
20 pursuant to any law subject to administration and enforcement
21 under the provisions of the Tax Administration Act, by a person
22 to the department or withheld from the person in excess of tax
23 due from the person to the state at the time of the payment or
24 at the time the amount withheld is credited against tax due;

25 [~~M.~~] N. "paid" includes the term "paid over";

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1 ~~[N-]~~ O. "pay" includes the term "pay over";
2 ~~[O-]~~ P. "payment" includes the term "payment over";
3 ~~[P-]~~ Q. "person" means any individual, estate,
4 trust, receiver, cooperative association, club, corporation,
5 company, firm, partnership, limited liability company, limited
6 liability partnership, joint venture, syndicate, other
7 association or gas, water or electric utility owned or operated
8 by a county or municipality; "person" also means, to the extent
9 permitted by law, a federal, state or other governmental unit
10 or subdivision, or an agency, department or instrumentality
11 thereof; and "person", as used in Sections 7-1-72 through
12 7-1-74 NMSA 1978, also includes an officer or employee of a
13 corporation, a member or employee of a partnership or any
14 individual who, as such, is under a duty to perform any act in
15 respect of which a violation occurs;

16 ~~[Q. "property" means property or rights to~~
17 ~~property;]~~

18 R. "property" or "rights to property" means any
19 tangible property, real or personal, or any intangible property
20 of a taxpayer;

21 S. "return" means any tax or information return,
22 application or form, declaration of estimated tax or claim for
23 refund, including any amendments or supplements to the return,
24 required or permitted pursuant to a law subject to
25 administration and enforcement pursuant to the Tax

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1 Administration Act and filed with the secretary or the
2 secretary's delegate by or on behalf of any person;

3 T. "return information" means a taxpayer's name,
4 address, government-issued identification number and other
5 identifying information; any information contained in or
6 derived from a taxpayer's return; any information with respect
7 to any actual or possible administrative or legal action by an
8 employee of the department concerning a taxpayer's return, such
9 as audits, managed audits, denial of credits or refunds,
10 assessments of tax, penalty or interest, protests of
11 assessments or denial of refunds or credits, levies or liens;
12 or any other information with respect to a taxpayer's return or
13 tax liability that was not obtained from public sources or that
14 was created by an employee of the department; but "return
15 information" does not include statistical data or other
16 information that cannot be associated with or directly or
17 indirectly identify a particular taxpayer;

18 U. "secretary" means the secretary of taxation and
19 revenue and, except for purposes of Subsection B of Section
20 7-1-4 NMSA 1978, also includes the deputy secretary or a
21 division director or deputy division director delegated by the
22 secretary;

23 V. "secretary or the secretary's delegate" means
24 the secretary or any employee of the department exercising
25 authority lawfully delegated to that employee by the secretary;

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1 W. "security" means money, property or rights to
2 property or a surety bond;

3 X. "state" means any state of the United States,
4 the District of Columbia, the commonwealth of Puerto Rico and
5 any territory or possession of the United States;

6 Y. "tax" means the total amount of each tax imposed
7 and required to be paid, withheld and paid or collected and
8 paid under provision of any law made subject to administration
9 and enforcement according to the provisions of the Tax
10 Administration Act, including the amount of any interest or
11 civil penalty relating thereto; "tax" also means any amount of
12 any abatement of tax made or any credit, rebate or refund paid
13 or credited by the department under any law subject to
14 administration and enforcement under the provisions of the Tax
15 Administration Act to any person contrary to law, including the
16 amount of any interest or civil penalty relating thereto;

17 Z. "tax return preparer" means a person who
18 prepares for others for compensation or who employs one or more
19 persons to prepare for others for compensation any return of
20 income tax, a substantial portion of any return of income tax,
21 any claim for refund with respect to income tax or a
22 substantial portion of any claim for refund with respect to
23 income tax; provided that a person shall not be a "tax return
24 preparer" merely because such person:

25 (1) furnishes typing, reproducing or other

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1 mechanical assistance;

2 (2) is an employee who prepares an income tax
3 return or claim for refund with respect to an income tax return
4 of the employer, or of an officer or employee of the employer,
5 by whom the person is regularly and continuously employed; or

6 (3) prepares as a trustee or other fiduciary
7 an income tax return or claim for refund with respect to income
8 tax for any person; and

9 AA. "taxpayer" means a person liable for payment of
10 any tax; a person responsible for withholding and payment or
11 for collection and payment of any tax; a person to whom an
12 assessment has been made, if the assessment remains unabated or
13 the amount thereof has not been paid; or a person who entered
14 into a special agreement pursuant to Section 7-1-21.1 NMSA 1978
15 to assume the liability of gross receipts tax or governmental
16 gross receipts tax of another person and the special agreement
17 was approved by the secretary pursuant to the Tax
18 Administration Act."

19 SECTION 4. Section 7-1-6.1 NMSA 1978 (being Laws 1983,
20 Chapter 211, Section 6, as amended) is amended to read:

21 "7-1-6.1. IDENTIFICATION OF MONEY IN TAX ADMINISTRATION
22 SUSPENSE FUND--DISTRIBUTION.--

23 A. After the necessary disbursements have been made
24 from the tax administration suspense fund, the money remaining,
25 except for [~~remittances received within the previous sixty days~~

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1 ~~that are unidentified as to source or disposition]~~ amounts
2 described in Subsection B of this section, in the suspense fund
3 as of the last day of the month shall be identified by tax
4 source and distributed or transferred in accordance with the
5 applicable provisions of the Tax Administration Act. After the
6 necessary distributions and transfers, any balance shall be
7 distributed to the general fund.

8 B. The following amounts are to be retained in the
9 tax administration suspense fund at the end of each month:

10 (1) remittances received within the previous
11 two months that are unidentified as to source or disposition;
12 and

13 (2) distribution amounts withheld pursuant to
14 Section 7-1-6.15 NMSA 1978."

15 SECTION 5. Section 7-1-6.4 NMSA 1978 (being Laws 1983,
16 Chapter 211, Section 9, as amended) is amended to read:

17 "7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS
18 TAX.--

19 A. Except as provided in Subsection B of this
20 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978
21 shall be made to each municipality in an amount, subject to any
22 increase or decrease made pursuant to Section 7-1-6.15 NMSA
23 1978, equal to the product of the quotient of one and two
24 hundred twenty-five thousandths percent divided by the tax rate
25 imposed by Section 7-9-4 NMSA 1978 multiplied by the net

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1 receipts for the month attributable to the gross receipts tax
2 from business locations:

3 [~~(1)~~ ~~within that municipality;~~
4 ~~(2)~~] (1) on land owned by the state, commonly
5 known as the "state fairgrounds", within the exterior
6 boundaries of that municipality;

7 [~~(3)~~] (2) outside the boundaries of any
8 municipality on land owned by that municipality; and

9 [~~(4)~~] (3) on an Indian reservation or pueblo
10 grant in an area that is contiguous to that municipality and in
11 which the municipality performs services pursuant to a contract
12 between the municipality and the Indian tribe or Indian pueblo
13 if:

14 (a) the contract describes an area in
15 which the municipality is required to perform services and
16 requires the municipality to perform services that are
17 substantially the same as the services the municipality
18 performs for itself; and

19 (b) the governing body of the
20 municipality has submitted a copy of the contract to the
21 secretary.

22 B. If the reduction made by Laws 1991, Chapter 9,
23 Section 9 to the distribution under this section impairs the
24 ability of a municipality to meet its principal or interest
25 payment obligations for revenue bonds outstanding prior to July

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1 1, 1991 that are secured by the pledge of all or part of the
2 municipality's revenue from the distribution made under this
3 section, then the amount distributed pursuant to this section
4 to that municipality shall be increased by an amount sufficient
5 to meet any required payment, provided that the distribution
6 amount does not exceed the amount that would have been due that
7 municipality under this section as it was in effect on June 30,
8 1992.

9 C. A distribution pursuant to this section may be
10 adjusted for a distribution made to a tax increment development
11 district with respect to a portion of a gross receipts tax
12 increment dedicated by a municipality pursuant to the Tax
13 Increment for Development Act."

14 SECTION 6. Section 7-1-6.12 NMSA 1978 (being Laws 1983,
15 Chapter 211, Section 17, as amended) is amended to read:

16 "7-1-6.12. TRANSFER--REVENUES FROM MUNICIPAL LOCAL OPTION
17 GROSS RECEIPTS TAXES.--

18 A. A transfer pursuant to Section 7-1-6.1 NMSA 1978
19 shall be made to each municipality for which the department is
20 collecting a local option gross receipts tax or local option
21 compensating tax imposed by that municipality in an amount
22 [~~subject to any increase or decrease made pursuant to Section~~
23 ~~7-1-6.15 NMSA 1978~~] equal to the net receipts attributable to
24 [~~the~~] that local option gross receipts or compensating tax
25 [~~imposed by that municipality, less any deduction for~~

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1 ~~administrative cost determined and made by the department~~
2 ~~pursuant to the provisions of the act authorizing imposition by~~
3 ~~that municipality of the local option gross receipts tax and~~
4 ~~any additional administrative fee withheld pursuant to~~
5 ~~Subsection C of Section 7-1-6.41 NMSA 1978]:~~

6 (1) plus any increase made pursuant to Section
7 7-1-6.15 NMSA 1978 and any other increase specified by law; and

8 (2) less any decrease made pursuant to Section
9 7-1-6.15 NMSA 1978, any applicable deduction for administrative
10 costs pursuant to Section 7-1-6.41 NMSA 1978 and any other
11 decreases specified by law.

12 B. A transfer pursuant to this section may be
13 adjusted for a distribution made to a tax increment development
14 district with respect to a portion of a gross receipts tax
15 increment dedicated by a municipality pursuant to the Tax
16 Increment for Development Act."

17 SECTION 7. Section 7-1-6.13 NMSA 1978 (being Laws 1983,
18 Chapter 211, Section 18, as amended) is amended to read:

19 "7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION
20 GROSS RECEIPTS TAXES.--

21 A. ~~[Except as provided in Subsection B of this~~
22 ~~section]~~ A transfer pursuant to Section 7-1-6.1 NMSA 1978 shall
23 be made to each county for which the department is collecting a
24 local option gross receipts tax or local option compensating
25 tax imposed by that county in an amount ~~[subject to any~~

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1 ~~increase or decrease made pursuant to Section 7-1-6.15 NMSA~~
2 ~~1978]~~ equal to the net receipts attributable to ~~[the]~~ that
3 local option gross receipts or compensating tax ~~[imposed by~~
4 ~~that county, less any deduction for administrative cost~~
5 ~~determined and made by the department pursuant to the~~
6 ~~provisions of the act authorizing imposition by that county of~~
7 ~~the local option gross receipts tax and any additional~~
8 ~~administrative fee withheld pursuant to Subsection C of Section~~
9 ~~7-1-6.41 NMSA 1978]:~~

10 (1) plus any increase made pursuant to Section
11 7-1-6.15 NMSA 1978 and any other increase specified by law; and

12 (2) less any decrease made pursuant to Section
13 7-1-6.15 NMSA 1978, any applicable deduction for administrative
14 costs pursuant to Section 7-1-6.41 NMSA 1978 and any other
15 decreases specified by law.

16 B. A transfer pursuant to this section may be
17 adjusted for a ~~[distribution]~~ transfer made to a tax increment
18 development district with respect to a portion of a gross
19 receipts tax increment dedicated by a county pursuant to the
20 Tax Increment for Development Act."

21 SECTION 8. Section 7-1-6.15 NMSA 1978 (being Laws 1983,
22 Chapter 211, Section 20, as amended by Laws 2015, Chapter 89,
23 Section 1 and by Laws 2015, Chapter 100, Section 1) is amended
24 to read:

25 "7-1-6.15. ADJUSTMENTS OF DISTRIBUTIONS OR TRANSFERS TO

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1 MUNICIPALITIES OR COUNTIES.--

2 A. The department is authorized to include within
3 current distributions or transfers to local governments
4 amounts, whether positive or negative, not reported on returns
5 as pertaining to the current period, whether the amount
6 reflects the granting of a refund claim, an amendment of one or
7 more returns filed in prior periods, filing of late-filed
8 returns, a change in reporting location, an audit of a taxpayer
9 by the department or any other process connected with
10 information on returns submitted for prior periods and on which
11 distributions and transfers for those prior periods to local
12 governments were determined. The provisions of this section
13 apply to:

14 (1) any distribution to a municipality
15 pursuant to Section 7-1-6.4, 7-1-6.36 or 7-1-6.46 NMSA 1978;

16 (2) any transfer to a municipality with
17 respect to any local option gross receipts tax or local option
18 compensating tax imposed by that municipality;

19 (3) any transfer to a county with respect to
20 any local option gross receipts tax or local option
21 compensating tax imposed by that county;

22 (4) any distribution to a county pursuant to
23 Section 7-1-6.16 or 7-1-6.47 NMSA 1978;

24 [~~(5) any distribution to a municipality or a~~
25 ~~county of gasoline taxes pursuant to Section 7-1-6.9 NMSA 1978;~~

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1 ~~(6)~~ (5) any transfer to a county with respect
2 to any tax imposed in accordance with the Local Liquor Excise
3 Tax Act;

4 ~~[(7) any distribution to a county from the~~
5 ~~county government road fund pursuant to Section 7-1-6.26 NMSA~~
6 ~~1978;~~

7 ~~(8) any distribution to a municipality of~~
8 ~~gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978; and~~

9 ~~(9) any distribution to a municipality of~~
10 ~~compensating taxes pursuant to Section 7-1-6.55 NMSA 1978]~~

11 (6) any transfer to a tax increment
12 development district pursuant to Section 7-1-6.54 NMSA 1978;

13 (7) any distribution to a municipality or a
14 county of gasoline taxes pursuant to Section 7-1-6.9 NMSA 1978;

15 (8) any distribution to a county from the
16 county government road fund pursuant to Section 7-1-6.26 NMSA
17 1978; and

18 (9) any distribution to a municipality of
19 gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978.

20 B. Before making a distribution or transfer
21 specified in Paragraphs (1) through (6) of Subsection A of this
22 section to a ~~[municipality or county]~~ local government for the
23 month, amounts comprising the net receipts shall be segregated
24 into two mutually exclusive categories. One category shall be
25 for amounts relating to the current month, and the other

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1 category shall be for amounts relating to prior periods. The
2 total of each category for a [~~municipality or county~~] local
3 government shall be reported each month to that [~~municipality~~
4 ~~or county~~] local government. If the total of the amounts
5 relating to prior periods is less than zero and its absolute
6 value exceeds the greater of one hundred dollars (\$100) or an
7 amount equal to twenty percent of the average distribution or
8 transfer amount for that [~~municipality or county~~] local
9 government, then the following procedures shall be carried out:

10 (1) all negative amounts relating to any
11 period prior to the [~~three~~] calendar [~~years~~] year preceding the
12 year of the current month, net of any positive amounts in that
13 same time period for the same taxpayers to which the negative
14 amounts pertain, shall be excluded from the total relating to
15 prior periods. Except as provided in Paragraph (2) of this
16 subsection, the net receipts to be distributed or transferred
17 to the [~~municipality or county~~] local government shall be
18 adjusted to equal the amount for the current month plus the
19 revised total for prior periods; and

20 (2) if the revised total for prior periods
21 determined pursuant to Paragraph (1) of this subsection is
22 negative and its absolute value exceeds the greater of one
23 hundred dollars (\$100) or an amount equal to twenty percent of
24 the average distribution or transfer amount for that
25 [~~municipality or county~~] local government, the revised total

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1 for prior periods shall be excluded from the distribution or
2 transfers and the net receipts to be distributed or transferred
3 to the [~~municipality or county~~] local government shall be equal
4 to the amount for the current month.

5 C. Except as otherwise provided in this section,
6 the department shall recover from a [~~municipality or county~~]
7 local government the amount excluded by Paragraph (2) of
8 Subsection B of this section. This amount may be referred to
9 as the "recoverable amount".

10 D. Prior to or concurrently with the distribution
11 or transfer to the [~~municipality or county~~] local government of
12 the adjusted net receipts, the department shall notify the
13 [~~municipality or county~~] local government whose distribution or
14 transfer has been adjusted pursuant to Paragraph (2) of
15 Subsection B of this section:

16 (1) that the department has made such an
17 adjustment, that the department has determined that a specified
18 amount is recoverable from the [~~municipality or county~~] local
19 government and that the department intends to recover that
20 amount from future distributions or transfers to the
21 [~~municipality or county~~] local government;

22 (2) that the [~~municipality or county~~] local
23 government has ninety days from the date notice is made to
24 enter into a mutually agreeable repayment agreement with the
25 department;

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1 (3) that if the [~~municipality or county~~] local
2 government takes no action within the ninety-day period, the
3 department will recover the amount from the next six
4 distributions or transfers following the expiration of the
5 ninety days; and

6 (4) that the [~~municipality or county~~] local
7 government may inspect, pursuant to Section 7-1-8.9 NMSA 1978,
8 an application for a claim for refund that gave rise to the
9 recoverable amount, exclusive of any amended returns that may
10 be attached to the application.

11 E. No earlier than ninety days from the date notice
12 pursuant to Subsection D of this section is given, the
13 department shall begin recovering the recoverable amount from a
14 [~~municipality or county~~] local government as follows:

15 (1) the department may collect the recoverable
16 amount by:

17 (a) decreasing distributions or
18 transfers to the [~~municipality or county~~] local government in
19 accordance with a repayment agreement entered into with the
20 [~~municipality or county~~] local government; or

21 (b) except as provided in Paragraphs (2)
22 and (3) of this subsection, if the [~~municipality or county~~]
23 local government fails to act within the ninety days,
24 decreasing the amount of the next six distributions or
25 transfers to the [~~municipality or county~~] local government

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1 following expiration of the ninety-day period in increments as
2 nearly equal as practicable and sufficient to recover the
3 amount;

4 (2) if, pursuant to Subsection B of this
5 section, the secretary determines that the recoverable amount
6 is more than fifty percent of the average distribution or
7 transfer of net receipts for that [~~municipality or county~~]
8 local government, the secretary:

9 (a) shall recover only up to fifty
10 percent of the average distribution or transfer of net receipts
11 for that [~~municipality or county~~] local government; and

12 (b) may, in the secretary's discretion,
13 waive recovery of any portion of the recoverable amount,
14 subject to approval by the state board of finance; and

15 (3) if, after application of a refund claim,
16 audit adjustment, correction of a mistake by the department or
17 other adjustment of a prior period, but prior to any recovery
18 of the department pursuant to this section, the total net
19 receipts of a [~~municipality or county~~] local government for the
20 twelve-month period beginning with the current month are
21 reduced or are projected to be reduced to less than fifty
22 percent of the average distribution or transfer of net
23 receipts, the secretary may waive recovery of any portion of
24 the recoverable amount, subject to approval by the state board
25 of finance.

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1 F. No later than ninety days from the date notice
2 pursuant to Subsection D of this section is given, the
3 department shall provide the [~~municipality or county~~] local
4 government adequate opportunity to review an application for a
5 claim for refund that gave rise to the recoverable amount,
6 exclusive of any amended returns that may be attached to the
7 application, pursuant to Section 7-1-8.9 NMSA 1978.

8 G. On or before September 1 of each year beginning
9 in 2016, the secretary shall report to the state board of
10 finance and the legislative finance committee the total
11 recoverable amount waived pursuant to Subparagraph (b) of
12 Paragraph (2) and Paragraph (3) of Subsection E of this section
13 for each [~~municipality and county~~] local government in the
14 prior fiscal year.

15 H. The secretary is authorized to decrease a
16 distribution or transfer to a [~~municipality or county~~] local
17 government upon being directed to do so by the secretary of
18 finance and administration pursuant to the State Aid Intercept
19 Act or to redirect a distribution or transfer to the New Mexico
20 finance authority pursuant to an ordinance or a resolution
21 passed by the [~~county or municipality~~] local government and a
22 written agreement of the [~~municipality or county~~] local
23 government and the New Mexico finance authority. Upon
24 direction to decrease a distribution or transfer or notice to
25 redirect a distribution or transfer to a [~~municipality or~~

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1 ~~county]~~ local government, the secretary shall decrease or
2 redirect the next designated distribution or transfer, and
3 succeeding distributions or transfers as necessary, by the
4 amount of the state distributions intercept authorized by the
5 secretary of finance and administration pursuant to the State
6 Aid Intercept Act or by the amount of the state distribution
7 intercept authorized pursuant to an ordinance or a resolution
8 passed by the [~~county or municipality~~] local government and a
9 written agreement with the New Mexico finance authority. The
10 secretary shall transfer the state distributions intercept
11 amount to the [~~municipal or county~~] local government's
12 treasurer or other person designated by the secretary of
13 finance and administration or to the New Mexico finance
14 authority pursuant to written agreement to pay the debt service
15 to avoid default on qualified local revenue bonds or meet other
16 local revenue bond, loan or other debt obligations of the
17 [~~municipality or county~~] local government to the New Mexico
18 finance authority. A decrease to or redirection of a
19 distribution or transfer pursuant to this subsection that
20 arose:

21 (1) prior to an adjustment of a distribution
22 or transfer of net receipts creating a recoverable amount owed
23 to the department takes precedence over any collection of any
24 recoverable amount pursuant to Paragraph (2) of Subsection B of
25 this section, which may be made only from the net amount of the

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1 distribution or transfer remaining after application of the
2 decrease or redirection pursuant to this subsection; and

3 (2) after an adjustment of a distribution or
4 transfer of net receipts creating a recoverable amount owed to
5 the department shall be subordinate to any collection of any
6 recoverable amount pursuant to Paragraph (2) of Subsection B of
7 this section.

8 I. Upon the direction of the secretary of finance
9 and administration pursuant to Section 9-6-5.2 NMSA 1978, the
10 secretary shall temporarily withhold the balance of a
11 distribution to a [~~municipality or county~~] local government,
12 net of any decrease or redirected amount pursuant to Subsection
13 H of this section and any recoverable amount pursuant to
14 Paragraph (2) of Subsection B of this section, that has failed
15 to submit an audit report required by the Audit Act or a
16 financial report required by Subsection F of Section 6-6-2 NMSA
17 1978. The amount to be withheld, the source of the withheld
18 distribution and the number of months that the distribution is
19 to be withheld shall be as directed by the secretary of finance
20 and administration. A distribution withheld pursuant to this
21 subsection shall remain in the tax administration suspense fund
22 until distributed to the [~~municipality or county~~] local
23 government and shall not be distributed to the general fund.
24 An amount withheld pursuant to this subsection shall be
25 distributed to the [~~municipality or county~~] local government

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1 upon direction of the secretary of finance and administration.

2 J. In August of each year, the department shall
3 recompute the distributions pursuant to Sections 7-1-6.9,
4 7-1-6.26 and 7-1-6.27 NMSA 1978 made during the twelve-month
5 period ending with the previous July if any taxpayer reported
6 corrections to the number of gasoline gallons initially
7 reported for any location on a gasoline tax return filed for
8 any month during the fiscal year ending immediately prior to
9 the August in which the recomputation is required. If the
10 recomputation results in changes to the amounts that would have
11 been distributed to local governments had the corrected
12 gallage been reported initially, then the department shall
13 prepare a report showing the difference for each local
14 government for the twelve-month period and increase or decrease
15 the next monthly distribution amount for each local government
16 by the amount shown in the table. If a decrease for a local
17 government would result in its next monthly distribution amount
18 being reduced to, or below, fifty percent of what it otherwise
19 would be:

20 (1) the next distribution amount shall be
21 reduced to fifty percent of what it otherwise would be; and

22 (2) the department shall notify the local
23 government no later than the date of the distribution:

24 (a) of the amount of the fifty percent
25 reduction and the amount of the decrease;

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1 (b) of the department's intent to
2 recover the difference between the amount of the decrease and
3 the amount of the fifty percent reduction in equal installments
4 over the following six distributions to that local government;
5 and

6 (c) that the local government has sixty
7 days to request any available additional information and to
8 negotiate a different recovery period.

9 [~~J.~~] K. As used in this section:

10 (1) "amounts relating to the current month"
11 means any amounts included in the net receipts of the current
12 month that represent payment of tax due for the current month,
13 correction of amounts processed in the current month that
14 relate to the current month or that otherwise relate to
15 obligations due for the current month;

16 (2) "amounts relating to prior periods" means
17 any amounts processed during the current month that adjust
18 amounts processed in a period or periods prior to the current
19 month regardless of whether the adjustment is a correction of a
20 department error or due to the filing of amended returns,
21 payment of department-issued assessments, filing or approval of
22 claims for refund, audit adjustments or other cause;

23 (3) "average distribution or transfer amount"
24 means the following amounts; provided that a distribution or
25 transfer that is negative shall not be used in calculating the

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1 amounts:

2 (a) the ~~[annual]~~ monthly average of the
3 total amount distributed or transferred to a ~~[municipality or~~
4 ~~county]~~ local government in ~~[each of the three twelve-month~~
5 ~~periods]~~ the thirty-six-month period preceding the current
6 month;

7 (b) if a distribution or transfer to a
8 ~~[municipality or county]~~ local government has been made for
9 less than ~~[three years]~~ thirty-six months, the total amount
10 distributed or transferred in the ~~[year]~~ twelve-month period
11 preceding the current month; or

12 (c) if a ~~[municipality or county]~~ local
13 government has ~~[not]~~ received distributions or transfers of net
14 receipts for fewer than twelve ~~[or more]~~ months, the monthly
15 average of net receipts distributed or transferred to the
16 ~~[municipality or county]~~ local government preceding the current
17 month ~~[multiplied by twelve]~~;

18 (4) "current month" means the month for which
19 the distribution or transfer is being prepared;

20 (5) "local government" means a municipality,
21 county or tax increment development district formed by a
22 municipality or county to which a gross receipts tax increment
23 has been dedicated; and

24 ~~[(-5)]~~ (6) "repayment agreement" means an
25 agreement between the department and a ~~[municipality or county]~~

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1 local government under which the [~~municipality or county~~] local
2 government agrees to allow the department to recover an amount
3 determined pursuant to Paragraph (2) of Subsection B of this
4 section by decreasing distributions or transfers to the
5 [~~municipality or county~~] local government for one or more
6 months beginning with the distribution or transfer to be made
7 with respect to a designated month. No interest shall be
8 charged."

9 SECTION 9. Section 7-1-6.16 NMSA 1978 (being Laws 1983,
10 Chapter 213, Section 27, as amended) is amended to read:

11 "7-1-6.16. COUNTY EQUALIZATION DISTRIBUTION.--

12 A. Beginning on September 15, [~~1989~~] 2019 and on
13 September 15 of each year thereafter, the department shall
14 distribute to any county that has imposed or continued in
15 effect during the state's preceding fiscal year a county gross
16 receipts tax pursuant to Section 7-20E-9 NMSA 1978 an amount
17 equal to:

18 (1) the product of a fraction, the numerator
19 of which is the county's population and the denominator of
20 which is the state's population, multiplied by the annual sum
21 for the county; less

22 (2) the net receipts received by the
23 department during the report year, including any increase or
24 decrease made pursuant to Section 7-1-6.15 NMSA 1978,
25 attributable to the county gross receipts tax at a rate of one-
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1 eighth percent; provided that for any month in the report year,
2 if no county gross receipts tax was in effect in the county in
3 the previous month, the net receipts, for the purposes of this
4 section, for that county for that month shall be zero.

5 B. If the amount determined by the calculation in
6 Subsection A of this section is zero or a negative number for a
7 county, no distribution shall be made to that county.

8 C. As used in this section:

9 (1) "annual sum" means for each county the sum
10 of the monthly amounts for those months in the report year that
11 follow a month in which the county had in effect a county gross
12 receipts tax;

13 (2) "monthly amount" means an amount equal to
14 the product of:

15 (a) the net receipts received by the
16 department in the month attributable to the state gross
17 receipts tax [~~plus five percent of the total amount of~~
18 ~~deductions claimed pursuant to Section 7-9-92 NMSA 1978 for the~~
19 ~~month plus five percent of the total amount of deductions~~
20 ~~claimed pursuant to Section 7-9-93 NMSA 1978 for the month~~];
21 and

22 (b) a fraction, the numerator of which
23 is one-eighth percent and the denominator of which is the tax
24 rate imposed by Section 7-9-4 NMSA 1978 in effect on the last
25 day of the previous month;

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1 (3) "population" means the most recent
2 official census or estimate determined by the United States
3 census bureau for the unit or, if neither is available, the
4 most current estimated population for the unit provided in
5 writing by the bureau of business and economic research at the
6 university of New Mexico; and

7 (4) "report year" means the twelve-month
8 period ending on the July 31 immediately preceding the date
9 upon which a distribution pursuant to this section is required
10 to be made."

11 SECTION 10. Section 7-1-6.32 NMSA 1978 (being Laws 1990,
12 Chapter 99, Section 44, as amended) is amended to read:

13 "7-1-6.32. DISTRIBUTION--SOLID WASTE ASSESSMENT FEE.--A
14 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
15 made to the solid waste facility grant fund of the net receipts
16 attributable to the solid waste assessment fee authorized under
17 the Solid Waste Act [~~less any administrative fee withheld~~
18 ~~pursuant to Section 7-1-6.41 NMSA 1978~~]."

19 SECTION 11. Section 7-1-6.41 NMSA 1978 (being Laws 1997,
20 Chapter 125, Section 1) is amended to read:

21 "7-1-6.41. ADMINISTRATIVE FEE IMPOSED--APPROPRIATION.--
22 [A. ~~The taxation and revenue department is directed~~
23 ~~to withhold an administrative fee of three percent of the net~~
24 ~~amount to be distributed under the provisions of:~~

25 (1) ~~Section 7-1-6.32 NMSA 1978;~~

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1 ~~(2) Section 66-12-20 NMSA 1978; and~~

2 ~~(3) Section 74-1-13 NMSA 1978.~~

3 ~~B. The administrative fee to be withheld pursuant~~
4 ~~to Subsection A of this section shall be withheld on~~
5 ~~distributions made on or after July 1, 1997 and shall continue~~
6 ~~until the earlier of December 31, 2006 or the date on which the~~
7 ~~New Mexico finance authority certifies to the taxation and~~
8 ~~revenue department that all obligations for bonds issued~~
9 ~~pursuant to Section 12 of this 1997 act have been fully~~
10 ~~discharged and directs the department to cease distributing~~
11 ~~money to the authority pursuant to this section.~~

12 ~~C. The taxation and revenue department is directed~~
13 ~~to withhold an additional administrative fee at the following~~
14 ~~percentage of the net amount to be distributed pursuant to the~~
15 ~~following provisions of law:~~

16 ~~(1) two percent of the net amount to be~~
17 ~~distributed pursuant to Section 7-1-6.12 NMSA 1978; and~~

18 ~~(2) six-tenths of one percent of the net~~
19 ~~amount to be distributed pursuant to Section 7-1-6.13 NMSA~~
20 ~~1978.~~

21 ~~D. The administrative fee to be withheld under~~
22 ~~Subsection C of this section shall be withheld on distributions~~
23 ~~made on or after July 1, 1997 and shall continue until the~~
24 ~~earlier of July 1, 2000 or the date on which the New Mexico~~
25 ~~finance authority certifies to the taxation and revenue~~

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1 ~~department that all obligations for bonds issued pursuant to~~
2 ~~Section 12 of this 1997 act have been fully discharged and~~
3 ~~directs the department to cease distributing money to the~~
4 ~~authority pursuant to this section.~~

5 E.] The administrative fee to be withheld by the
6 ~~[taxation and revenue] department [under] from the net receipts~~
7 of any municipal or county local option gross receipts tax,
8 municipal compensating tax or county compensating tax that is
9 to be transferred pursuant to Section 7-1-6.12 [and] or
10 7-1-6.13 NMSA 1978 shall be set at three percent of the [net]
11 amount to be [distributed] transferred prior to withholding of
12 the fee pursuant to the provisions of those sections.

13 ~~[F. The administrative fee to be withheld under~~
14 ~~Subsection E of this section shall be withheld on distributions~~
15 ~~made on or after July 1, 2000 and shall continue until the~~
16 ~~earlier of December 31, 2006 or the date on which the New~~
17 ~~Mexico finance authority certifies to the taxation and revenue~~
18 ~~department that all obligations for bonds issued pursuant to~~
19 ~~Section 12 of this 1997 act have been fully discharged and~~
20 ~~directs the department to cease distributing money to the~~
21 ~~authority pursuant to this section. After the department has~~
22 ~~been directed by the authority to cease distributing money to~~
23 ~~the authority pursuant to this section, the administrative fee~~
24 ~~shall be remitted to the state treasurer for deposit in the~~
25 ~~state general fund each month.~~

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1 G. ~~The administrative fee shall be distributed~~
2 ~~monthly to the New Mexico finance authority to be pledged~~
3 ~~irrevocably for the payment of principal, interest and any~~
4 ~~expenses or obligations related to the bonds issued by the~~
5 ~~authority to finance the taxation and revenue information~~
6 ~~management systems project.]"~~

7 SECTION 12. Section 7-1-6.54 NMSA 1978 (being Laws 2006,
8 Chapter 75, Section 29) is amended to read:

9 "7-1-6.54. [~~DISTRIBUTIONS~~] TRANSFER--TAX INCREMENT
10 DEVELOPMENT DISTRICTS.--A [~~distribution~~] transfer to a tax
11 increment development district shall be made by the department,
12 in accordance with a notice that is filed pursuant to the Tax
13 Increment for Development Act with respect to a taxing entity's
14 dedication of a portion of a gross receipts tax increment to
15 the tax increment development district."

16 SECTION 13. A new section of the Tax Administration Act
17 is enacted to read:

18 "[NEW MATERIAL] TRANSFER--LOCAL LIQUOR EXCISE TAX.--A
19 transfer pursuant to Section 7-1-6.1 NMSA 1978 shall be made to
20 each county for which the department is collecting a local
21 liquor excise tax imposed by that county in an amount equal to
22 the net receipts attributable to the local liquor excise tax
23 imposed by that county."

24 SECTION 14. Section 7-1-8.9 NMSA 1978 (being Laws 2009,
25 Chapter 243, Section 11, as amended by Laws 2015, Chapter 89,
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1 Section 2 and by Laws 2015, Chapter 100, Section 2) is amended
2 to read:

3 "7-1-8.9. INFORMATION THAT MAY BE REVEALED TO LOCAL
4 GOVERNMENTS AND THEIR AGENCIES.--

5 A. An employee of the department may reveal to:

6 (1) the officials or employees of a
7 municipality of this state authorized in a written request by
8 the municipality for a period specified in the request [~~within~~
9 ~~the twelve months preceding the request~~] but no greater than
10 the maximum period; provided that the municipality receiving
11 the information has entered into a written agreement with the
12 department that the information shall be used for tax purposes
13 only and specifying that the municipality is subject to the
14 confidentiality provisions of Section 7-1-8 NMSA 1978 and the
15 penalty provisions of Section 7-1-76 NMSA 1978:

16 (a) the names, taxpayer identification
17 numbers and addresses of registered gross receipts taxpayers
18 reporting gross receipts for that municipality under the Gross
19 Receipts and Compensating Tax Act or a local option gross
20 receipts tax imposed by that municipality. The department may
21 also reveal the information described in this subparagraph
22 quarterly or upon such other periodic basis as the secretary
23 and the municipality may agree in writing;

24 (b) a range of taxable gross receipts of
25 registered gross receipts paid by taxpayers from business

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1 locations attributable to that municipality under the Gross
2 Receipts and Compensating Tax Act or a local option gross
3 receipts tax imposed by that municipality [~~provided that~~
4 ~~authorization from the federal internal revenue service to~~
5 ~~reveal such information has been received~~]. The department may
6 also reveal the information described in this subparagraph
7 quarterly or upon such other periodic basis as the secretary
8 and the municipality may agree in writing; and

9 (c) information indicating whether
10 persons shown on a list of businesses located within that
11 municipality furnished by the municipality have reported gross
12 receipts to the department but have not reported gross receipts
13 for that municipality under the Gross Receipts and Compensating
14 Tax Act or a local option gross receipts tax imposed by that
15 municipality;

16 (2) the officials or employees of a county of
17 this state authorized in a written request by the county for a
18 period specified in the request [~~within the twelve months~~
19 ~~preceding the request~~] but no greater than the maximum period;
20 provided that the county receiving the information has entered
21 into a written agreement with the department that the
22 information shall be used for tax purposes only and specifying
23 that the county is subject to the confidentiality provisions of
24 Section 7-1-8 NMSA 1978 and the penalty provisions of Section
25 7-1-76 NMSA 1978:

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1 (a) the names, taxpayer identification
2 numbers and addresses of registered gross receipts taxpayers
3 reporting gross receipts either for that county in the case of
4 a local option gross receipts tax imposed on a countywide basis
5 or only for the areas of that county outside of any
6 incorporated municipalities within that county in the case of a
7 county local option gross receipts tax imposed only in areas of
8 the county outside of any incorporated municipalities. The
9 department may also reveal the information described in this
10 subparagraph quarterly or upon such other periodic basis as the
11 secretary and the county may agree in writing;

12 (b) a range of taxable gross receipts of
13 registered gross receipts paid by taxpayers from business
14 locations attributable either to that county in the case of a
15 local option gross receipts tax imposed on a countywide basis
16 or only to the areas of that county outside of any incorporated
17 municipalities within that county in the case of a county local
18 option gross receipts tax imposed only in areas of the county
19 outside of any incorporated municipalities [~~provided that~~
20 ~~authorization from the federal internal revenue service to~~
21 ~~reveal such information has been received~~]. The department may
22 also reveal the information described in this subparagraph
23 quarterly or upon such other periodic basis as the secretary
24 and the county may agree in writing;

25 (c) in the case of a local option gross

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1 receipts tax imposed by a county on a countywide basis,
2 information indicating whether persons shown on a list of
3 businesses located within the county furnished by the county
4 have reported gross receipts to the department but have not
5 reported gross receipts for that county under the Gross
6 Receipts and Compensating Tax Act or a local option gross
7 receipts tax imposed by that county on a countywide basis; and

8 (d) in the case of a local option gross
9 receipts tax imposed by a county only on persons engaging in
10 business in that area of the county outside of incorporated
11 municipalities, information indicating whether persons on a
12 list of businesses located in that county outside of the
13 incorporated municipalities but within that county furnished by
14 the county have reported gross receipts to the department but
15 have not reported gross receipts for that county outside of the
16 incorporated municipalities within that county under the Gross
17 Receipts and Compensating Tax Act or a local option gross
18 receipts tax imposed by the county only on persons engaging in
19 business in that county outside of the incorporated
20 municipalities; and

21 (3) officials or employees of a municipality
22 or county of this state, authorized in a written request of the
23 municipality or county, for purposes of inspection, the records
24 of the department pertaining to an increase or decrease to a
25 distribution or transfer made pursuant to Section 7-1-6.15 NMSA

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1 1978 for the purpose of reviewing the basis for the increase or
2 decrease; provided that the municipality or county receiving
3 the information has entered into a written agreement with the
4 department that the information shall be used for tax purposes
5 only and specifying that the municipality or county is subject
6 to the confidentiality provisions of Section 7-1-8 NMSA 1978
7 and the penalty provisions of Section 7-1-76 NMSA 1978. The
8 authorized officials or employees may only reveal the
9 information provided in this paragraph to another authorized
10 official or employee, to an employee of the department, or a
11 district court, an appellate court or a federal court in a
12 proceeding relating to a disputed distribution and in which
13 both the state and the municipality or county are parties.

14 B. The department may require that a municipal or
15 county official or employee satisfactorily complete appropriate
16 training on protecting confidential information prior to
17 receiving the information pursuant to Subsection A of this
18 section.

19 C. As used in this section, "maximum period" means
20 a period of months beginning with the January of the seventh
21 year prior to the year in which the request is made and ending
22 with the month prior to the month in which the request is
23 made."

24 SECTION 15. Section 7-1-14 NMSA 1978 (being Laws 1969,
25 Chapter 145, Section 1, as amended) is amended to read:

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1 "7-1-14. SECRETARY MAY DETERMINE WHERE CERTAIN GROSS
2 RECEIPTS ARE TO BE REPORTED--PLACE OF BUSINESS FOR CONSTRUCTION
3 PROJECTS, [~~AND~~] CERTAIN REAL PROPERTY SALES AND OUT-OF-STATE
4 VENDORS WITH RESPECT TO THEIR INSTATE SALES AND TRANSPORTATION
5 SERVICES.--

6 A. [~~By regulation, the secretary may require any~~] A
7 person maintaining one or more places of business [~~to~~] in New
8 Mexico or selling property or a product of a service into New
9 Mexico shall report the person's [~~taxable~~] gross receipts and
10 deductions for each municipality, [~~or~~] county or area within an
11 Indian reservation or pueblo grant in which the person
12 maintains a place of business or the property or product of a
13 service is delivered.

14 B. For persons engaged in the construction
15 business, the place where the construction project is performed
16 is a "place of business", and all gross receipts from and
17 deductions related to that project are to be reported from that
18 place of business.

19 C. [~~The secretary may, by regulation, also require~~]
20 Any person maintaining a place of business outside the
21 boundaries of a municipality on land owned by that municipality
22 [~~to~~] shall report the person's [~~taxable~~] gross receipts [~~for~~
23 ~~that municipality~~] and deductions with respect to that place of
24 business from that place of business.

25 D. For a person engaged in the business of selling

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1 real estate, the location of the real property sold is the
2 "place of business", and all gross receipts from and deductions
3 related to that sale [~~are to~~] shall be reported from that place
4 of business.

5 E. For a person engaging in business but that is
6 without physical presence in this state, "place of business"
7 is, except as provided in Subsection F of this section, the
8 location where the property or the product of a service being
9 sold by the person is delivered.

10 F. For a person engaged in the business of
11 transporting persons or property, the place where the
12 transportation of a person or property originates is a place of
13 business and the gross receipts and deductions from the
14 transportation service provided to the person or property are
15 to be reported from that place of business."

16 SECTION 16. Section 7-1-26 NMSA 1978 (being Laws 1965,
17 Chapter 248, Section 28, as amended) is amended to read:

18 "7-1-26. DISPUTING LIABILITIES--CLAIM FOR CREDIT, REBATE
19 OR REFUND.--

20 A. A person who believes that an amount of tax has
21 been paid by or withheld from that person in excess of that for
22 which the person was liable, who has been denied any credit or
23 rebate claimed or who claims a prior right to property in the
24 possession of the department pursuant to a levy made under
25 authority of Sections 7-1-31 through 7-1-34 NMSA 1978 may claim

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1 a refund by directing to the secretary, within the time limited
2 by the provisions of Subsections F and G of this section, a
3 written claim for refund. At the time the written claim is
4 submitted, except as provided in Subsection K of this section,
5 a refund claim shall include:

6 (1) the ~~[taxpayer's]~~ person's name, address
7 and identification number;

8 (2) the type of tax for which a refund is
9 being claimed, the credit or rebate denied or the property
10 levied upon;

11 (3) the sum of money or other property being
12 claimed;

13 (4) with respect to refund, the period for
14 which overpayment was made;

15 (5) a brief statement of the facts and the law
16 on which the claim is based, which may be referred to as the
17 "basis for the refund", which ~~[shall]~~ may include documentation
18 that substantiates the written claim and supports the
19 taxpayer's basis for the refund; and

20 (6) a copy of an amended return for each tax
21 period for which the refund is claimed.

22 B. A claim for refund that meets the requirements
23 of Subsection A of this section shall be deemed to be properly
24 before the department for consideration, regardless of whether
25 the department requests additional documentation after receipt

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1 of the claim for refund; provided that the claim for refund is
2 filed within the time limitations provided in Subsections F and
3 G of this section.

4 C. [If] The department [~~requests~~] may request
5 additional relevant documentation from a taxpayer who has
6 submitted a claim for refund [~~the claim for refund will not be~~
7 ~~considered complete until the taxpayer provides the requested~~
8 ~~documentation. The provisions of Paragraph (2) of Subsection D~~
9 ~~of this section and of Section 7-1-68 NMSA 1978 do not apply~~
10 ~~until a refund claim is complete~~].

11 D. The secretary or the secretary's delegate may
12 allow the claim in whole or in part or may deny the claim. If
13 the:

14 (1) claim is denied in whole or in part in
15 writing, no claim [~~may~~] shall be refiled with respect to that
16 which was denied, but the person, within ninety days after
17 either the mailing or delivery of the denial of all or any part
18 of the claim, may elect to pursue one, but not more than one,
19 of the remedies in Subsection E of this section; and

20 (2) department has neither granted nor denied
21 any portion of a complete claim for refund within one hundred
22 eighty days of the date the claim was mailed or otherwise
23 delivered to the department, the person may elect to treat the
24 claim as denied and elect to pursue one, but not more than one,
25 of the remedies provided in Subsection [~~D~~] E of this section.

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1 E. A person may elect to pursue no more than one of
2 the remedies in Paragraphs (1) and (2) of this subsection. A
3 person who timely pursues more than one remedy shall be deemed
4 to have elected the first remedy invoked. The person may:

5 (1) direct to the secretary, pursuant to the
6 provisions of Section 7-1-24 NMSA 1978, a written protest that
7 shall set forth:

8 (a) the circumstances of: 1) an alleged
9 overpayment; 2) a denied credit; 3) a denied rebate; or 4) a
10 denial of a prior right to property levied upon by the
11 department;

12 (b) an allegation that, because of that
13 overpayment or denial, the state is indebted to the taxpayer
14 for a specified amount, including any allowed interest, or for
15 the property;

16 (c) demanding the refund to the taxpayer
17 of that amount or that property; and

18 (d) reciting the facts of the claim for
19 refund; or

20 (2) commence a civil action in the district
21 court for Santa Fe county by filing a complaint setting forth
22 the circumstance of the claimed overpayment, denied credit or
23 rebate or denial of a prior right to property levied upon by
24 the department alleging that on account thereof the state is
25 indebted to the plaintiff in the amount or property stated,

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1 together with any interest allowable, demanding the refund to
2 the plaintiff of that amount or property and reciting the facts
3 of the claim for refund. The plaintiff or the secretary may
4 appeal from any final decision or order of the district court
5 to the court of appeals.

6 F. Except as otherwise provided in Subsection G of
7 this section, no credit or refund of any amount ~~[may]~~ shall be
8 allowed or made to any person unless as the result of a claim
9 made by that person as provided in this section:

10 (1) within three years of the end of the
11 calendar year in which:

12 (a) the payment was originally due or
13 the overpayment resulted from an assessment by the department
14 pursuant to Section 7-1-17 NMSA 1978, whichever is later;

15 (b) the final determination of value
16 occurs with respect to any overpayment that resulted from a
17 disapproval by any agency of the United States or the state of
18 New Mexico or any court of increase in value of a product
19 subject to taxation under the Oil and Gas Severance Tax Act,
20 the Oil and Gas Conservation Tax Act, the Oil and Gas Emergency
21 School Tax Act, the Oil and Gas Ad Valorem Production Tax Act
22 or the Natural Gas Processors Tax Act;

23 (c) property was levied upon pursuant to
24 the provisions of the Tax Administration Act; or

25 (d) an overpayment of New Mexico tax

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1 resulted from: 1) an internal revenue service audit adjustment
2 or a federal refund paid due to an adjustment of an audit by
3 the internal revenue service or an amended federal return; or
4 2) making a change to a federal return for which federal
5 approval is required by the Internal Revenue Code;

6 (2) when an amount of a claim for credit under
7 the provisions of the Investment Credit Act, Laboratory
8 Partnership with Small Business Tax Credit Act or Technology
9 Jobs and Research and Development Tax Credit Act or for the
10 rural job tax credit pursuant to Section 7-2E-1.1 NMSA 1978 or
11 similar credit has been denied, the taxpayer may claim a refund
12 of the credit no later than one year after the date of the
13 denial;

14 (3) when a taxpayer under audit by the
15 department has signed a waiver of the limitation on assessments
16 on or after July 1, 1993 pursuant to Subsection F of Section
17 7-1-18 NMSA 1978, the taxpayer may file a claim for refund of
18 the same tax paid for the same period for which the waiver was
19 given, until a date one year after the later of the date of the
20 mailing of an assessment issued pursuant to the audit, the date
21 of the mailing of final audit findings to the taxpayer or the
22 date a proceeding is begun in court by the department with
23 respect to the same tax and the same period;

24 (4) if the payment of an amount of tax was not
25 made within three years of the end of the calendar year in

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1 which the original due date of the tax or date of the
2 assessment of the department occurred, a claim for refund of
3 that amount of tax can be made within one year of the date on
4 which the tax was paid; or

5 (5) when a taxpayer has been assessed a tax on
6 or after July 1, 1993 under Subsection B, C or D of Section
7 7-1-18 NMSA 1978 and when the assessment applies to a period
8 ending at least three years prior to the beginning of the year
9 in which the assessment was made, the taxpayer may claim a
10 refund for the same tax for the period of the assessment or for
11 any period following that period within one year of the date of
12 the assessment unless a longer period for claiming a refund is
13 provided in this section.

14 G. No credit or refund shall be allowed or made to
15 any person claiming a refund of gasoline tax under Section
16 7-13-11 NMSA 1978 unless notice of the destruction of the
17 gasoline was given to the department within thirty days of the
18 actual destruction and the claim for refund is made within six
19 months of the date of destruction. No credit or refund shall
20 be allowed or made to any person claiming a refund of gasoline
21 tax under Section 7-13-17 NMSA 1978 unless the refund is
22 claimed within six months of the date of purchase of the
23 gasoline and the gasoline has been used at the time the claim
24 for refund is made.

25 H. If as a result of an audit by the department or

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1 a managed audit covering multiple periods an overpayment of tax
2 is found in any period under the audit, that overpayment may be
3 credited against an underpayment of the same tax found in
4 another period under audit pursuant to Section 7-1-29 NMSA
5 1978, provided that the taxpayer files a claim for refund for
6 the overpayments identified in the audit.

7 I. Any refund of tax paid under any tax or tax act
8 administered under Subsection B of Section 7-1-2 NMSA 1978 may
9 be made, at the discretion of the department, in the form of
10 credit against future tax payments if future tax liabilities in
11 an amount at least equal to the credit amount reasonably may be
12 expected to become due.

13 J. For the purposes of this section, "oil and gas
14 tax return" means a return reporting tax due with respect to
15 oil, natural gas, liquid hydrocarbons, carbon dioxide, helium
16 or nonhydrocarbon gas pursuant to the Oil and Gas Severance Tax
17 Act, the Oil and Gas Conservation Tax Act, the Oil and Gas
18 Emergency School Tax Act, the Oil and Gas Ad Valorem Production
19 Tax Act, the Natural Gas Processors Tax Act or the Oil and Gas
20 Production Equipment Ad Valorem Tax Act.

21 K. The filing of a fully completed original income
22 tax return, corporate income tax return, corporate income and
23 franchise tax return, estate tax return or special fuel excise
24 tax return that shows a balance due the taxpayer or a fully
25 completed amended income tax return, an amended corporate

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1 income tax return, an amended corporate income and franchise
2 tax return, an amended estate tax return, an amended special
3 fuel excise tax return or an amended oil and gas tax return
4 that shows a lesser tax liability than the original return
5 constitutes the filing of a claim for refund for the difference
6 in tax due shown on the original and amended returns."

7 SECTION 17. Section 7-2-31.1 NMSA 1978 (being Laws 1999,
8 Chapter 47, Section 5) is amended to read:

9 "7-2-31.1. OPTIONAL REFUND CONTRIBUTION PROVISIONS--
10 CONDITIONAL REPEAL.--

11 A. By August [~~31, 2000, and by August 31~~] of [~~every~~
12 ~~succeeding~~] each year, the secretary shall determine the total
13 amount contributed through the preceding July 31 on returns
14 filed for taxable years ending in the preceding calendar year
15 pursuant to each provision of the Income Tax Act that allows a
16 taxpayer the option of directing the department to contribute
17 all or any part of an income tax refund due the taxpayer to a
18 specified account, fund or entity and the department shall post
19 on its website the total amount determined to have been
20 contributed pursuant to each provision.

21 B. If the secretary's determination pursuant to
22 Subsection A of this section regarding an optional refund
23 contribution provision is that the total amount contributed is
24 less than five thousand dollars (\$5,000), exclusive of
25 directions for contributions disregarded under Subsection C of

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1 this section, the secretary shall certify that fact to the
2 secretary of state. Any optional refund contribution provision
3 for which a certification is made for three consecutive years
4 is repealed, effective on the January 1 following the third
5 certification.

6 C. The department shall disregard a direction on a
7 return to make an optional refund contribution if the amount of
8 refund due on the return is determined by the department to be
9 less than the sum of the amounts directed to be contributed.

10 D. Notwithstanding the provisions of Section
11 7-1-26 NMSA 1978, a taxpayer may not claim and the department
12 may not allow a refund with respect to any optional refund
13 contribution that was made by the department at the direction
14 of the taxpayer."

15 SECTION 18. Section 7-2A-2 NMSA 1978 (being Laws 1986,
16 Chapter 20, Section 33, as amended) is amended to read:

17 "7-2A-2. DEFINITIONS.--For the purpose of the Corporate
18 Income and Franchise Tax Act and unless the context requires
19 otherwise:

20 A. "affiliated group" means that term as it is used
21 in the Internal Revenue Code;

22 B. "bank" means any national bank, national banking
23 association, state bank or bank holding company;

24 C. "base income" means that part of the taxpayer's
25 income defined as taxable income and upon which the federal

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1 income tax is calculated in the Internal Revenue Code for
2 income tax purposes plus:

3 (1) for taxable years beginning on or after
4 January 1, 1991, the amount of the net operating loss deduction
5 allowed by Section 172(a) of the Internal Revenue Code, as that
6 section may be amended or renumbered, and claimed by the
7 taxpayer for that year;

8 (2) interest received on a state or local
9 bond; and

10 (3) the amount of any deduction claimed in
11 calculating taxable income for all expenses and costs directly
12 or indirectly paid, accrued or incurred to a captive real
13 estate investment trust;

14 D. "captive real estate investment trust" means a
15 corporation, trust or association taxed as a real estate
16 investment trust pursuant to Section 857 of the Internal
17 Revenue Code, the shares or beneficial interests of which are
18 not regularly traded on an established securities market;
19 provided that more than fifty percent of any class of
20 beneficial interests or shares of the real estate investment
21 trust are owned directly, indirectly or constructively by the
22 taxpayer during all or a part of the taxpayer's taxable year;

23 E. "corporation" means corporations, joint stock
24 companies, real estate trusts organized and operated under the
25 Real Estate Trust Act, financial corporations and banks, other

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1 business associations and, for corporate income tax purposes,
2 partnerships and limited liability companies taxed as
3 corporations under the Internal Revenue Code;

4 F. "department" means the taxation and revenue
5 department, the secretary of taxation and revenue or any
6 employee of the department exercising authority lawfully
7 delegated to that employee by the secretary;

8 G. "fiscal year" means any accounting period of
9 twelve months ending on the last day of any month other than
10 December;

11 H. "Internal Revenue Code" means the United States
12 Internal Revenue Code of 1986, as amended;

13 I. "net income" means base income adjusted to
14 exclude:

15 (1) income from obligations of the United
16 States less expenses incurred to earn that income;

17 (2) other amounts that the state is prohibited
18 from taxing because of the laws or constitution of this state
19 or the United States;

20 ~~[(3) for taxable years that began prior to~~
21 ~~January 1, 1991, an amount equal to the sum of:~~

22 ~~(a) net operating loss carryback~~
23 ~~deductions to that year from taxable years beginning prior to~~
24 ~~January 1, 1991 claimed and allowed, as provided by the~~
25 ~~Internal Revenue Code; and~~

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~~(b) net operating loss carryover~~
~~deductions to that year claimed and allowed;~~
~~(4)] (3)~~ for taxable years beginning on or
after January 1, 1991 and prior to January 1, 2013, an amount
equal to the sum of any net operating loss carryover deductions
to that year claimed and allowed; provided that the amount of
any net operating loss carryover from a taxable year beginning
on or after January 1, 1991 and prior to January 1, 2013 may be
excluded only as follows:
(a) in the case of a timely filed
return, in the taxable year immediately following the taxable
year for which the return is filed; or
(b) in the case of amended returns or
original returns not timely filed, in the first taxable year
beginning after the date on which the return or amended return
establishing the net operating loss is filed; and
(c) in either case, if the net operating
loss carryover exceeds the amount of net income exclusive of
the net operating loss carryover for the taxable year to which
the exclusion first applies, in the next four succeeding
taxable years in turn until the net operating loss carryover is
exhausted for any net operating loss carryover from a taxable
year prior to January 1, 2013; in no event may a net operating
loss carryover from a taxable year beginning prior to January
1, 2013 be excluded in any taxable year after the fourth

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1 taxable year beginning after the taxable year to which the
2 exclusion first applies; and

3 ~~[(5)]~~ (4) for taxable years beginning on or
4 after January 1, 2013, an amount equal to the sum of any net
5 operating loss carryover deductions to that year claimed and
6 allowed; provided that the amount of any net operating loss
7 carryover may be excluded only as follows:

8 (a) in the case of a timely filed
9 return, in the taxable year immediately following the taxable
10 year for which the return is filed; or

11 (b) in the case of amended returns or
12 original returns not timely filed, in the first taxable year
13 beginning after the date on which the return or amended return
14 establishing the net operating loss is filed; and

15 (c) in either case, if the net operating
16 loss carryover exceeds the amount of net income exclusive of
17 the net operating loss carryover for the taxable year to which
18 the exclusion first applies, in the next nineteen succeeding
19 taxable years in turn until the net operating loss carryover is
20 exhausted for any net operating loss carryover from a taxable
21 year beginning on or after January 1, 2013; in no event shall a
22 net operating loss carryover from a taxable year beginning: 1)
23 prior to January 1, 2013 be excluded in any taxable year after
24 the fourth taxable year beginning after the taxable year to
25 which the exclusion first applies; and 2) on or after January

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1 1, 2013 be excluded in any taxable year after the nineteenth
2 taxable year beginning after the taxable year to which the
3 exclusion first applies;

4 J. "net operating loss" means any net operating
5 loss, as defined by Section 172(c) of the Internal Revenue
6 Code, as that section may be amended or renumbered, for a
7 taxable year as further increased by the income, if any, from
8 obligations of the United States for that year less related
9 expenses;

10 K. "net operating loss carryover" means the amount,
11 or any portion of the amount, of a net operating loss for any
12 taxable year that, pursuant to Paragraph (3) or (4) [~~or (5)~~] of
13 Subsection I of this section, may be excluded from base income;

14 L. "person" means any individual, estate, trust,
15 receiver, cooperative association, club, corporation, company,
16 firm, partnership, limited liability company, joint venture,
17 syndicate or other association; "person" also means, to the
18 extent permitted by law, any federal, state or other
19 governmental unit or subdivision or agency, department or
20 instrumentality thereof;

21 M. "real estate investment trust" has the meaning
22 ascribed to the term in Section 856 of the Internal Revenue
23 Code, as that section may be amended or renumbered;

24 N. "secretary" means the secretary of taxation and
25 revenue or the secretary's delegate;

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1 O. "state" means any state of the United States,
2 the District of Columbia, the commonwealth of Puerto Rico, any
3 territory or possession of the United States or political
4 subdivision thereof or any political subdivision of a foreign
5 country;

6 P. "state or local bond" means a bond issued by a
7 state other than New Mexico or by a local government other than
8 one of New Mexico's political subdivisions, the interest from
9 which is excluded from income for federal income tax purposes
10 under Section 103 of the Internal Revenue Code, as that section
11 may be amended or renumbered;

12 Q. "taxable year" means the calendar year or fiscal
13 year upon the basis of which the net income is computed under
14 the Corporate Income and Franchise Tax Act and includes, in the
15 case of the return made for a fractional part of a year under
16 the provisions of that act, the period for which the return is
17 made;

18 R. "taxpayer" means any corporation subject to the
19 taxes imposed by the Corporate Income and Franchise Tax Act;
20 for corporations filing pursuant to Section 7-2A-8.3 or
21 7-2A-8.4 NMSA 1978, "taxpayer" also means the corporation in
22 whose name the return is filed, which corporation shall serve
23 as agent for all the other corporations included in the return
24 with respect to all matters concerning the filing of the return
25 and its administration and the claiming of refunds; and

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1 S. "unitary corporations" means two or more
2 integrated corporations, other than any foreign corporation
3 incorporated in a foreign country and not engaged in trade or
4 business in the United States during the taxable year, that are
5 owned in the amount of more than fifty percent and controlled
6 by the same person and for which at least one of the following
7 conditions exists:

8 (1) there is a unity of operations evidenced
9 by central purchasing, advertising, accounting or other
10 centralized services;

11 (2) there is a centralized management or
12 executive force and centralized system of operation; or

13 (3) the operations of the corporations are
14 dependent upon or contribute property or services to one
15 another individually or as a group."

16 SECTION 19. Section 7-2A-8 NMSA 1978 (being Laws 1981,
17 Chapter 37, Section 41, as amended) is amended to read:

18 "7-2A-8. CREDIT--INCOME ALLOCATION AND APPORTIONMENT.--

19 A. Except for income received from pass-through
20 entities included in the taxpayer's income, net income of any
21 taxpayer having income that is taxable both within and without
22 this state shall be apportioned and allocated as follows:

23 (1) except as otherwise provided in Paragraphs
24 (2) through (4) of this subsection, income shall be allocated
25 and apportioned as provided in the Uniform Division of Income

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1 for Tax Purposes Act;

2 (2) except for gambling winnings, nonbusiness
3 income as defined in the Uniform Division of Income for Tax
4 Purposes Act not otherwise allocated or apportioned under the
5 Uniform Division of Income for Tax Purposes Act shall be
6 equitably allocated or apportioned in accordance with
7 instructions, rulings or regulations of the secretary;

8 (3) other deductions and exemptions allowable
9 in computing federal taxable income and not specifically
10 allocated in the Uniform Division of Income for Tax Purposes
11 Act shall be equitably allocated or apportioned in accordance
12 with instructions, rulings or regulations of the secretary; and

13 (4) gambling winnings that are nonbusiness
14 income and arise from sources within this state shall be
15 allocated to this state.

16 B. Income received from pass-through entities
17 included in a taxpayer's income shall be allocated and
18 apportioned pursuant to the Uniform Division of Income for Tax
19 Purposes Act separately from all other income of the taxpayer,
20 using the commercial domiciles and apportionment factors of the
21 pass-through entities.

22 [~~B.~~] C. For the purposes of this section, "non-New
23 Mexico percentage" means the percentage determined by dividing
24 the difference between the taxpayer's net income and the sum of
25 the amounts allocated or apportioned to New Mexico by that net

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1 income.

2 [G.] D. A taxpayer may claim a credit in an amount
3 equal to the amount of tax determined to be due under Section
4 7-2A-5 NMSA 1978 multiplied by the non-New Mexico percentage."

5 SECTION 20. Section 7-4-18 NMSA 1978 (being Laws 1965,
6 Chapter 203, Section 18) is amended to read:

7 "7-4-18. DETERMINATION OF SALES IN THIS STATE OF SERVICES
8 AND OTHER THAN [TANGIBLE PERSONAL] PROPERTY FOR INCLUSION IN
9 SALES FACTOR.--

10 A. Sales other than sales [~~of tangible personal~~
11 ~~property~~] described in Section 7-4-17 NMSA 1978 are in this
12 state [~~if:~~

13 ~~A. the income-producing activity is performed in~~
14 ~~this state; or~~

15 ~~B. the income-producing activity is performed both~~
16 ~~in and outside this state and a greater proportion of the~~
17 ~~income-producing activity is performed in this state than in~~
18 ~~any other state based on costs of performance]:~~

19 (1) in the case of sale, rental, lease or
20 license of real property, if and to the extent the real
21 property is located in this state;

22 (2) in the case of rental, lease or license of
23 tangible personal property, if and to the extent the tangible
24 personal property is located in this state;

25 (3) in the case of sale of a service, if and

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1 to the extent the service is delivered to a location in this
2 state; and

3 (4) in the case of sale, rental, lease or
4 license of intangible property, if and to the extent the
5 intangible property is used in this state.

6 B. If the state or states of assignment under
7 Subsection A of this section cannot be determined, the state or
8 states of assignment shall be reasonably approximated.

9 C. If the taxpayer is not taxable in a state to
10 which a sale is assigned pursuant to Subsection A of this
11 section or if the state of assignment cannot be determined or
12 reasonably approximated pursuant to Subsection B of this
13 section, that sale shall be excluded from the numerator and
14 denominator of the sales factor."

15 SECTION 21. Section 7-9-3 NMSA 1978 (being Laws 1978,
16 Chapter 46, Section 1, as amended) is amended to read:

17 "7-9-3. DEFINITIONS.--As used in the Gross Receipts and
18 Compensating Tax Act:

19 A. "affiliate" means a person that directly or
20 indirectly, through one or more intermediaries controls, is
21 controlled by or is under common control with another person
22 where, for the purposes of this subsection, "control" means
23 equity ownership in a business entity that represents at least
24 fifty percent of the total voting power of that business entity
25 or has a value equal to at least fifty percent of the total

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1 equity of that business entity;

2 [A-] B. "buying" or "selling" means a transfer of
3 property for consideration or the performance of service for
4 consideration;

5 [B-] C. "department" means the taxation and revenue
6 department, the secretary of taxation and revenue or an
7 employee of the department exercising authority lawfully
8 delegated to that employee by the secretary;

9 [~~G. "financial corporation" means a savings and
10 loan association or an incorporated savings and loan company,
11 trust company, mortgage banking company, consumer finance
12 company or other financial corporation;~~]

13 D. "initial use" or "initially used" means the
14 first employment for the intended purpose and does not include
15 the following activities:

16 (1) observation of tests conducted by the
17 performer of services;

18 (2) participation in progress reviews,
19 briefings, consultations and conferences conducted by the
20 performer of services;

21 (3) review of preliminary drafts, drawings and
22 other materials prepared by the performer of the services;

23 (4) inspection of preliminary prototypes
24 developed by the performer of services; or

25 (5) similar activities;

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1 E. "leasing" means an arrangement whereby, for a
2 consideration, property is employed for or by any person other
3 than the owner of the property, except that the granting of a
4 license to use property is licensing and is not a lease;

5 F. "local option gross receipts tax" means a tax
6 authorized to be imposed by a county or municipality upon the
7 taxpayer's gross receipts and required to be collected by the
8 department at the same time and in the same manner as the gross
9 receipts tax; "local option gross receipts tax" includes the
10 taxes imposed pursuant to the Municipal Local Option Gross
11 Receipts [~~Taxes~~] and Compensating Tax Act, Supplemental
12 Municipal Gross Receipts Tax Act, County Local Option Gross
13 Receipts [~~Taxes~~] and Compensating Tax Act, Local Hospital Gross
14 Receipts Tax Act and County Correctional Facility Gross
15 Receipts Tax Act and such other acts as may be enacted
16 authorizing counties or municipalities to impose taxes on gross
17 receipts, which taxes are to be collected by the department;

18 G. "manufactured home" means a movable or portable
19 housing structure for human occupancy that exceeds either a
20 width of eight feet or a length of forty feet constructed to be
21 towed on its own chassis and designed to be installed with or
22 without a permanent foundation;

23 H. "manufacturing" means combining or processing
24 components or materials to increase their value for sale in the
25 ordinary course of business, but does not include construction;

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1 I. "person" means:
2 (1) an individual, estate, trust, receiver,
3 cooperative association, club, corporation, company, firm,
4 partnership, limited liability company, limited liability
5 partnership, joint venture, syndicate or other entity,
6 including any gas, water or electric utility owned or operated
7 by a county, municipality or other political subdivision of the
8 state; or

9 (2) a national, federal, state, Indian or
10 other governmental unit or subdivision, or an agency,
11 department or instrumentality of any of the foregoing;

12 J. "property" means real property, tangible
13 personal property, licenses other than the licenses of
14 copyrights, trademarks or patents and franchises. Tangible
15 personal property includes electricity and manufactured homes;

16 K. "research and development services" means an
17 activity engaged in for other persons for consideration, for
18 one or more of the following purposes:

19 (1) advancing basic knowledge in a recognized
20 field of natural science;

21 (2) advancing technology in a field of
22 technical endeavor;

23 (3) developing a new or improved product,
24 process or system with new or improved function, performance,
25 reliability or quality, whether or not the new or improved

1 product, process or system is offered for sale, lease or other
2 transfer;

3 (4) developing new uses or applications for an
4 existing product, process or system, whether or not the new use
5 or application is offered as the rationale for purchase, lease
6 or other transfer of the product, process or system;

7 (5) developing analytical or survey activities
8 incorporating technology review, application, trade-off study,
9 modeling, simulation, conceptual design or similar activities,
10 whether or not offered for sale, lease or other transfer; or

11 (6) designing and developing prototypes or
12 integrating systems incorporating the advances, developments or
13 improvements included in Paragraphs (1) through (5) of this
14 subsection;

15 L. "secretary" means the secretary of taxation and
16 revenue or the secretary's delegate;

17 M. "service" means all activities engaged in for
18 other persons for a consideration, which activities involve
19 predominantly the performance of a service as distinguished
20 from selling or leasing property. "Service" includes
21 activities performed by a person for its members or
22 shareholders. In determining what is a service, the intended
23 use, principal objective or ultimate objective of the
24 contracting parties shall not be controlling. "Service"
25 includes construction activities and all tangible personal

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1 property that will become an ingredient or component part of a
2 construction project. That tangible personal property retains
3 its character as tangible personal property until it is
4 installed as an ingredient or component part of a construction
5 project in New Mexico. Sales of tangible personal property
6 that will become an ingredient or component part of a
7 construction project to persons engaged in the construction
8 business are sales of tangible personal property; and

9 N. "use" or "using" includes use, consumption or
10 storage other than storage for subsequent sale in the ordinary
11 course of business or for use solely outside this state."

12 SECTION 22. Section 7-9-3.2 NMSA 1978 (being Laws 1991,
13 Chapter 8, Section 1, as amended) is amended to read:

14 "7-9-3.2. ADDITIONAL DEFINITION.--

15 A. As used in the Gross Receipts and Compensating
16 Tax Act, "governmental gross receipts" means receipts of the
17 state or an agency, institution, instrumentality or political
18 subdivision from:

19 (1) the sale of tangible personal property
20 other than water from facilities open to the general public;

21 (2) the performance of or admissions to
22 recreational, athletic or entertainment services or events in
23 facilities open to the general public;

24 (3) refuse collection or refuse disposal or
25 both;

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1 (4) sewage services;

2 (5) the sale of water by a utility owned or
3 operated by a county, municipality or other political
4 subdivision of the state; and

5 (6) the renting of parking, docking or tie-
6 down spaces or the granting of permission to park vehicles, tie
7 down aircraft or dock boats.

8 B. "Governmental gross receipts" includes receipts
9 from the sale of tangible personal property handled on
10 consignment when sold from facilities open to the general
11 public but excludes cash discounts taken and allowed,
12 governmental gross receipts tax payable on transactions
13 reportable for the period and any type of time-price
14 differential.

15 ~~[B. As used in this section, "facilities open to~~
16 ~~the general public" does not include point of sale registers or~~
17 ~~electronic devices at a bookstore owned or operated by a public~~
18 ~~post-secondary educational institution when the registers or~~
19 ~~devices are utilized in the sale of textbooks or other~~
20 ~~materials required for courses at the institution to a student~~
21 ~~enrolled at the institution who displays a valid student~~
22 ~~identification card.]"~~

23 SECTION 23. Section 7-9-3.3 NMSA 1978 (being Laws 2003,
24 Chapter 272, Section 4) is amended to read:

25 "7-9-3.3. DEFINITION--ENGAGING IN BUSINESS.--As used in
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1 the Gross Receipts and Compensating Tax Act, "engaging in
2 business" means carrying on or causing to be carried on any
3 activity with the purpose of direct or indirect benefit,
4 without regard to having physical presence, including the
5 presence of a representative acting on behalf of the person, in
6 the state, except that engaging in business does not include:

7 A. [~~"engaging in business" does not include~~] having
8 a worldwide [~~web site~~] website as a third-party content
9 provider on a computer physically located in New Mexico but
10 owned by another nonaffiliated person; [~~and~~]

11 B. [~~"engaging in business" does not include~~] using
12 a nonaffiliated third-party call center to accept and process
13 telephone or electronic orders of tangible personal property or
14 licenses primarily from non-New Mexico buyers, which orders are
15 forwarded to a location outside New Mexico for filling, or to
16 provide services primarily to non-New Mexico customers; and

17 C. except for activities related to selling and
18 delivering into this state or from selling services the
19 tangible products of which are delivered for initial use into
20 this state through unaffiliated multi-vendor platforms, the
21 activities of a person without physical presence in this state
22 if the person and the person's affiliates have less than one
23 hundred thousand dollars (\$100,000) of gross receipts in the
24 state, including any gross receipts from sales through
25 unaffiliated multi-vendor platforms, based on receipts during

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1 the prior calendar year."

2 SECTION 24. Section 7-9-3.5 NMSA 1978 (being Laws 2003,
3 Chapter 272, Section 3, as amended) is amended to read:

4 "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

5 A. As used in the Gross Receipts and Compensating
6 Tax Act:

7 (1) "gross receipts" means the total amount of
8 money or the value of other consideration received from selling
9 property in New Mexico, from leasing or licensing property
10 employed in New Mexico, from granting a right to use a
11 franchise employed in New Mexico, from selling services
12 performed outside New Mexico, the product of which is initially
13 used in New Mexico, or from performing services in New Mexico.
14 In an exchange in which the money or other consideration
15 received does not represent the value of the property or
16 service exchanged, "gross receipts" means the reasonable value
17 of the property or service exchanged;

18 (2) "gross receipts" includes:

19 (a) any receipts from sales of tangible
20 personal property handled on consignment, including third-party
21 sales made over a multi-vendor marketplace platform that acts
22 as the intermediary, typically as the processor of the
23 transaction, between the seller and the buyer;

24 (b) the total commissions or fees
25 derived from the business of buying, selling or promoting the

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1 purchase, sale or lease, as an agent or broker on a commission
2 or fee basis, of any property, service, stock, bond or
3 security;

4 (c) amounts paid by members of any
5 cooperative association or similar organization for sales or
6 leases of personal property or performance of services by such
7 organization;

8 (d) amounts received from transmitting
9 messages or conversations by persons providing telephone or
10 telegraph services;

11 (e) amounts received by a New Mexico
12 florist from the sale of flowers, plants or other products that
13 are customarily sold by florists where the sale is made
14 pursuant to orders placed with the New Mexico florist that are
15 filled and delivered outside New Mexico by an out-of-state
16 florist; and

17 (f) the receipts of a home service
18 provider from providing mobile telecommunications services to
19 customers whose place of primary use is in New Mexico if: 1)
20 the mobile telecommunications services originate and terminate
21 in the same state, regardless of where the services originate,
22 terminate or pass through; and 2) the charges for mobile
23 telecommunications services are billed by or for a customer's
24 home service provider and are deemed provided by the home
25 service provider. For the purposes of this section, "home

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1 service provider", "mobile telecommunications services",
2 "customer" and "place of primary use" have the meanings given
3 in the federal Mobile Telecommunications Sourcing Act; and

4 (3) "gross receipts" excludes:

5 (a) cash discounts allowed and taken;

6 (b) New Mexico gross receipts tax,
7 governmental gross receipts tax and leased vehicle gross
8 receipts tax payable on transactions for the reporting period;

9 (c) taxes imposed pursuant to the
10 provisions of any local option gross receipts tax that is
11 payable on transactions for the reporting period;

12 (d) any gross receipts or sales taxes
13 imposed by an Indian nation, tribe or pueblo; provided that the
14 tax is approved, if approval is required by federal law or
15 regulation, by the secretary of the interior of the United
16 States; and provided further that the gross receipts or sales
17 tax imposed by the Indian nation, tribe or pueblo provides a
18 reciprocal exclusion for gross receipts, sales or gross
19 receipts-based excise taxes imposed by the state or its
20 political subdivisions;

21 (e) any type of time-price differential;

22 (f) amounts received solely on behalf of
23 another in a disclosed agency capacity; and

24 (g) amounts received by a New Mexico
25 florist from the sale of flowers, plants or other products that

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1 are customarily sold by florists where the sale is made
2 pursuant to orders placed with an out-of-state florist for
3 filling and delivery in New Mexico by a New Mexico florist.

4 B. When the sale of property or service is made
5 under any type of charge, conditional or time-sales contract or
6 the leasing of property is made under a leasing contract, the
7 seller or lessor may elect to treat all receipts, excluding any
8 type of time-price differential, under such contracts as gross
9 receipts as and when the payments are actually received. If
10 the seller or lessor transfers the seller's or lessor's
11 interest in any such contract to a third person, the seller or
12 lessor shall pay the gross receipts tax upon the full sale or
13 leasing contract amount, excluding any type of time-price
14 differential."

15 SECTION 25. Section 7-9-4 NMSA 1978 (being Laws 1966,
16 Chapter 47, Section 4, as amended) is amended to read:

17 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
18 "GROSS RECEIPTS TAX".--

19 A. For the privilege of engaging in business, an
20 excise tax equal to [~~five and one-eighth percent of gross~~
21 ~~receipts~~] the following rates is imposed on any person engaging
22 in business in New Mexico:

23 (1) beginning July 1, 2010 and prior to
24 January 1, 2019, five and one-eighth percent of gross receipts;

25 (2) beginning January 1, 2019 and prior to

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1 July 1, 2020, three and nine-tenths percent of gross receipts;
2 and

3 (3) on and after July 1, 2020, three and
4 one-tenth percent of gross receipts.

5 B. The tax imposed by this section shall be
6 referred to as the "gross receipts tax".

7 SECTION 26. Section 7-9-7 NMSA 1978 (being Laws 1966,
8 Chapter 47, Section 7, as amended) is amended to read:

9 "7-9-7. IMPOSITION AND RATE OF TAX--DENOMINATION AS
10 "COMPENSATING TAX".--

11 A. For the privilege of using tangible property in
12 New Mexico, there is imposed on the person using the property
13 an excise tax equal to [~~five and one-eighth percent~~] the rate
14 in effect and imposed pursuant to Section 7-9-4 NMSA 1978 of
15 the value of tangible property that was:

16 (1) manufactured by the person using the
17 property in the state;

18 (2) acquired inside or outside of this state
19 as the result of a transaction with a person located outside
20 this state that would have been subject to the gross receipts
21 tax had the tangible personal property been acquired from a
22 person with nexus with New Mexico; or

23 (3) acquired as the result of a transaction
24 that was not initially subject to the compensating tax imposed
25 by Paragraph (2) of this subsection or the gross receipts tax

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1 but which transaction, because of the buyer's subsequent use of
2 the property, should have been subject to the compensating tax
3 imposed by Paragraph (2) of this subsection or the gross
4 receipts tax.

5 B. For the purpose of Subsection A of this section,
6 value of tangible property shall be the adjusted basis of the
7 property for federal income tax purposes determined as of the
8 time of acquisition or introduction into this state or of
9 conversion to use, whichever is later. If no adjusted basis
10 for federal income tax purposes is established for the
11 property, a reasonable value of the property shall be used.

12 C. For the privilege of using a license or
13 franchise in New Mexico, there is imposed on the person using
14 the property an excise tax equal to the rate in effect and
15 imposed pursuant to Section 7-9-4 NMSA 1978 against the value
16 of the property in its use in New Mexico. For use of a license
17 or franchise to be taxable under this subsection, the property
18 must have been sold, leased or licensed by a person outside
19 this state and the receipts from the sale, lease or licensing
20 of the license or franchise would have been subject to the
21 gross receipts tax had the license or franchise been acquired
22 from a person with nexus with New Mexico.

23 [~~G.~~] D. For the privilege of using services
24 rendered in New Mexico, there is imposed on the person using
25 such services an excise tax equal to [~~five percent~~] the rate in

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1 effect and imposed pursuant to Section 7-9-4 NMSA 1978 of the
2 value of the services at the time they were rendered. ~~[The]~~
3 For use of services to be taxable under this subsection, the
4 services must have been ~~[rendered as the result of a~~
5 ~~transaction that was not initially subject to the gross~~
6 ~~receipts tax but which transaction, because of the buyer's~~
7 ~~subsequent use of the services, should]~~ performed by a person
8 outside this state and receipts from the performance or sale of
9 the services would have been subject to the gross receipts tax
10 had the service been performed or sold by a person with nexus
11 with New Mexico.

12 ~~[D-]~~ E. The tax imposed by this section shall be
13 referred to as the "compensating tax"."

14 **SECTION 27.** Section 7-9-7.1 NMSA 1978 (being Laws 1993,
15 Chapter 45, Section 1, as amended) is amended to read:

16 "7-9-7.1. DEPARTMENT BARRED FROM TAKING COLLECTION
17 ACTIONS WITH RESPECT TO CERTAIN COMPENSATING TAX LIABILITIES.--

18 A. The department shall take no action prior to
19 July 1, 2019 to enforce collection of compensating tax due on
20 purchases made by an individual if:

21 (1) the property is used only for nonbusiness
22 purposes;

23 (2) the property is not a manufactured home;

24 and

25 (3) the individual is not an agent for

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1 collection of compensating tax pursuant to Section 7-9-10 NMSA
2 1978.

3 B. The department shall take no action to enforce
4 collection of gross receipts tax for a tax period prior to July
5 1, 2018 on persons engaging in business if, for those tax
6 periods, those persons:

7 (1) lacked physical presence in this state,
8 including presence attributable to agents or employees; and

9 (2) did not report taxable gross receipts.

10 ~~[B-]~~ C. The prohibition in Subsection A of this
11 section does not prevent the department from enforcing
12 collection of compensating tax on purchases from persons who
13 are not individuals, who are agents for collection pursuant to
14 Section 7-9-10 NMSA 1978 or who use the property in the course
15 of engaging in business in New Mexico or from enforcing
16 collection of compensating tax due on purchase of manufactured
17 homes."

18 SECTION 28. Section 7-9-12 NMSA 1978 (being Laws 1969,
19 Chapter 144, Section 5, as amended) is amended to read:

20 "7-9-12. EXEMPTIONS.--

21 A. Exemptions from either the gross receipts tax or
22 the compensating tax are not exemptions from both taxes unless
23 explicitly stated otherwise by law.

24 B. A taxpayer may elect to report exempt receipts
25 as gross receipts and deduct those same receipts; provided that

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1 the taxpayer retains documentation that the receipts qualified
2 for exemption."

3 SECTION 29. Section 7-9-14 NMSA 1978 (being Laws 1969,
4 Chapter 144, Section 7, as amended) is amended to read:

5 "7-9-14. EXEMPTION--COMPENSATING TAX--GOVERNMENTAL
6 AGENCIES--INDIANS.--

7 A. Except as otherwise provided in this subsection,
8 there is exempted from the compensating tax the use of property
9 or services by the United States or the state of New Mexico or
10 any governmental unit or subdivision, agency, department or
11 instrumentality thereof. The exemption provided by this
12 subsection does not apply to:

13 (1) the use of property that is or will be
14 incorporated into a metropolitan redevelopment project under
15 the Metropolitan Redevelopment Code; or

16 (2) the use of construction material.

17 B. Exempted from the compensating tax is the use of
18 property or services by any Indian nation, tribe or pueblo or
19 any governmental unit, subdivision, agency, department or
20 instrumentality thereof on Indian reservations or pueblo
21 grants."

22 SECTION 30. Section 7-9-15 NMSA 1978 (being Laws 1970,
23 Chapter 12, Section 1, as amended) is amended to read:

24 "7-9-15. EXEMPTION--COMPENSATING TAX--CERTAIN
25 ORGANIZATIONS.--Exempted from the compensating tax is the use

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1 of property by organizations that demonstrate to the department
2 that they have been granted exemption from the federal income
3 tax by the United States commissioner of internal revenue as
4 organizations described in Section 501(c)(3) of the United
5 States Internal Revenue Code of [~~1954~~] 1986, as that section
6 may be amended or renumbered, in the conduct of functions
7 described in [~~Section 501(e)(3)~~] that section; provided that
8 the gross receipts of the organization for the prior calendar
9 year were less than one hundred thousand dollars (\$100,000).

10 The use of property as an ingredient or component part of a
11 construction project is not a use in the conduct of functions
12 described in Section 501(c)(3). This section does not apply to
13 the use of property or services in an unrelated trade or
14 business as defined in Section 513 of the United States
15 Internal Revenue Code of [~~1954~~] 1986, as that section may be
16 amended or renumbered."

17 SECTION 31. Section 7-9-18.1 NMSA 1978 (being Laws 1987,
18 Chapter 264, Section 13 and Laws 1987, Chapter 304, Section 1)
19 is amended to read:

20 "7-9-18.1. EXEMPTION--GROSS RECEIPTS TAX--~~[FOOD STAMPS]~~
21 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.--Exempted from the
22 gross receipts tax are the receipts of a taxpayer who is
23 approved for participation in the [~~food stamp~~] federal
24 supplemental nutrition assistance program authorized by U.S.C.
25 Title 7, Chapter 51, as that chapter may be amended or

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1 renumbered, from the lawful acceptance [~~and deposit with a~~
2 ~~financial institution of food stamps issued~~] of electronic
3 benefit transfers or other authorized payment by the United
4 States department of agriculture pursuant to the [~~food stamp~~]
5 program."

6 SECTION 32. Section 7-9-29 NMSA 1978 (being Laws 1970,
7 Chapter 12, Section 3, as amended) is amended to read:

8 "7-9-29. EXEMPTION--GROSS RECEIPTS TAX--CERTAIN
9 ORGANIZATIONS.--

10 A. Exempted from the gross receipts tax are the
11 receipts of organizations that demonstrate to the department
12 that they have been granted exemption from the federal income
13 tax by the United States commissioner of internal revenue as
14 organizations described in Section 501(c)(3) of the United
15 States Internal Revenue Code of [~~1954~~] 1986, as that section
16 may be amended or renumbered;

17 [~~B. Exempted from the gross receipts tax are the~~
18 ~~receipts from carrying on chamber of commerce, visitor bureau~~
19 ~~and convention bureau functions of organizations that~~
20 ~~demonstrate to the department that they have been granted~~
21 ~~exemption from the federal income tax by the United States~~
22 ~~commissioner of internal revenue as organizations described in~~
23 ~~Section 501(c)(6) of the United States Internal Revenue Code of~~
24 ~~1954, as amended or renumbered~~] provided that the gross
25 receipts of the organization for the prior calendar year were

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1 less than one hundred thousand dollars (\$100,000).

2 [~~G-~~] B. This section does not apply to receipts
3 derived from an unrelated trade or business as defined in
4 Section 513 of the United States Internal Revenue Code of
5 [~~1954~~] 1986, as that section may be amended or renumbered."

6 **SECTION 33.** Section 7-9-40 NMSA 1978 (being Laws 1970,
7 Chapter 60, Section 2, as amended) is amended to read:

8 "7-9-40. EXEMPTION--GROSS RECEIPTS TAX--PURSES AND JOCKEY
9 REMUNERATION AT NEW MEXICO RACETRACKS--RECEIPTS FROM GROSS
10 AMOUNTS WAGERED.--

11 A. Exempted from the gross receipts tax are the
12 receipts of horsemen, jockeys and trainers from race purses at
13 New Mexico horse racetracks subject to the jurisdiction of the
14 state racing commission.

15 B. Exempted from the gross receipts tax are the
16 receipts of a racetrack from [~~the commissions and other~~]
17 amounts [~~authorized by~~] subject to the daily pari-mutuel tax
18 and amounts retained pursuant to Section [60-1-10] 60-1A-19
19 NMSA 1978 to be retained by a racetrack conducting horse races
20 under the authority of a license from the state racing
21 commission."

22 **SECTION 34.** A new Section 7-9-41.5 NMSA 1978 is enacted
23 to read:

24 "7-9-41.5. [NEW MATERIAL] EXEMPTION--GROSS RECEIPTS
25 TAX--DE MINIMIS IMPORTS.--Except for receipts from selling

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1 through an unaffiliated multi-vendor platform, exempted from
2 the gross receipts tax are the receipts of a seller and the
3 seller's affiliates from selling and delivering tangible
4 personal property into this state, or from selling services the
5 tangible products of which are delivered for initial use into
6 this state, if neither the seller nor the seller's affiliates
7 have a physical location in this state and together had less
8 than one hundred thousand dollars (\$100,000) of gross receipts,
9 including gross receipts from sales through unaffiliated
10 multi-vendor platforms, from sources within this state in the
11 prior calendar year."

12 SECTION 35. Section 7-9-45 NMSA 1978 (being Laws 1969,
13 Chapter 144, Section 35, as amended) is amended to read:

14 "7-9-45. DEDUCTIONS.--

15 A. Receipts may only be deducted once from gross
16 receipts or governmental gross receipts when computing the
17 gross receipts tax or governmental gross receipts tax due.

18 B. The same receipts shall not be both exempt from
19 the gross receipts tax and deducted from gross receipts.

20 C. The same receipts shall not be both exempt from
21 the governmental gross receipts tax and deducted from
22 governmental gross receipts.

23 D. Taxpayers claiming deductions are required to
24 report the deduction amounts claimed separately or in groups as
25 follows; provided that if the statute providing the deduction

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1 or the department by rule or instruction requires that the
2 amount of a deduction be reported separately, the deduction
3 shall be reported separately:

4 (1) deductions that require a nontaxable
5 transaction certificate, including any such deduction for which
6 alternative evidence may be provided in lieu of the nontaxable
7 transaction certificate, shall be reported in the aggregate as
8 a separate group;

9 (2) deductions pursuant to Sections 7-9-60,
10 7-9-60.2 and 7-9-85 NMSA 1978 shall be reported in the
11 aggregate as a separate group;

12 (3) deductions pursuant to Sections 7-9-54.2,
13 7-9-94 and 7-9-115 NMSA 1978 shall be reported in the aggregate
14 as a separate group;

15 (4) deductions pursuant to Sections 7-9-73,
16 7-9-73.2, 7-9-73.3 and 7-9-111 NMSA 1978 shall be reported in
17 the aggregate as a separate group;

18 (5) deductions pursuant to Sections 7-9-73.1,
19 7-9-77.1 and 7-9-109 NMSA 1978 shall be reported in the
20 aggregate as a separate group; and

21 (6) all deductions not specified in Paragraphs
22 (1) through (5) of this subsection shall be reported in the
23 aggregate as a separate group."

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

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1 "7-9-46. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--GOVERNMENTAL
2 GROSS RECEIPTS--SALES TO MANUFACTURERS.--

3 A. Receipts from selling tangible personal property
4 may be deducted from gross receipts or from governmental gross
5 receipts if the sale is made to a person engaged in the
6 business of manufacturing who delivers a nontaxable transaction
7 certificate to the seller. The buyer delivering the nontaxable
8 transaction certificate must incorporate the tangible personal
9 property as an ingredient or component part of the product that
10 the buyer is in the business of manufacturing.

11 B. Receipts from selling tangible personal property
12 that is a consumable and used in such a way that it is consumed
13 in the manufacturing process of a product, provided that the
14 tangible personal property is not a tool or equipment used to
15 create the manufactured product, to a person engaged in the
16 business of manufacturing that product and who delivers a
17 nontaxable transaction certificate to the seller may be
18 deducted [~~in the following percentages~~] from gross receipts or
19 from governmental gross receipts

20 [~~(1) twenty percent of receipts received prior~~
21 ~~to January 1, 2014;~~

22 [~~(2) forty percent of receipts received in~~
23 ~~calendar year 2014;~~

24 [~~(3) sixty percent of receipts received in~~
25 ~~calendar year 2015;~~

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1 ~~(4) eighty percent of receipts received in~~
2 ~~calendar year 2016; and~~

3 ~~(5) one hundred percent of receipts received~~
4 ~~on or after January 1, 2017].~~

5 C. The purpose of the deductions provided in this
6 section is to encourage manufacturing businesses to locate in
7 New Mexico and to reduce the tax burden, including reducing
8 pyramiding, on the tangible personal property that is consumed
9 in the manufacturing process and that is purchased by
10 manufacturing businesses in New Mexico.

11 ~~[D. The department shall annually report to the~~
12 ~~revenue stabilization and tax policy committee the aggregate~~
13 ~~amount of deductions taken pursuant to this section, the number~~
14 ~~of taxpayers claiming each of the deductions and any other~~
15 ~~information that is necessary to determine that the deductions~~
16 ~~are performing the purposes for which they are enacted.~~

17 ~~E. A taxpayer deducting gross receipts pursuant to~~
18 ~~this section shall report the amount deducted separately for~~
19 ~~each deduction provided in this section and attribute the~~
20 ~~amount of the deduction to the appropriate authorization~~
21 ~~provided in this section in a manner required by the department~~
22 ~~that facilitates the evaluation by the legislature of the~~
23 ~~benefit to the state of these deductions.~~

24 ~~F.]~~ D. As used in Subsection B of this section,
25 "consumable" means tangible personal property that is

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1 incorporated into, destroyed, depleted or transformed in the
2 process of manufacturing a product:

3 (1) including electricity, fuels, water,
4 manufacturing aids and supplies, chemicals, gases, repair
5 parts, spares and other tangibles used to manufacture a
6 product; but

7 (2) excluding tangible personal property used
8 in:

- 9 (a) the generation of power;
- 10 (b) the processing of natural resources,
11 including hydrocarbons; and
- 12 (c) the preparation of meals for
13 immediate consumption on- or off-premises."

14 SECTION 37. Section 7-9-55 NMSA 1978 (being Laws 1969,
15 Chapter 144, Section 45, as amended) is amended to read:

16 "7-9-55. DEDUCTION--GROSS RECEIPTS [~~TAX~~]~~--GOVERNMENTAL~~
17 GROSS RECEIPTS [~~TAX~~]~~--TRANSACTION IN INTERSTATE COMMERCE.--~~

18 A. Receipts from transactions in interstate or
19 foreign commerce may be deducted from gross receipts and
20 governmental gross receipts to the extent that the imposition
21 of the gross receipts tax would be unlawful under the United
22 States constitution.

23 B. Receipts from transactions in interstate or
24 foreign commerce may be deducted [~~from governmental gross~~
25 ~~receipts~~] pursuant to this section when a seller located in New

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1 Mexico delivers the property or product of the service to the
2 buyer or the buyer's nominee outside New Mexico; provided that
3 neither the buyer, the buyer's nominee nor any of the buyer's
4 agents or employees makes initial use of the property or
5 product of the service in New Mexico.

6 C. To qualify as a transaction in interstate or
7 foreign commerce for purposes of this section, when tangible
8 property is involved:

9 (1) the transaction shall involve actual and
10 physical movement of the property or product of a service sold
11 either into or out of New Mexico;

12 (2) such movement shall be an essential and
13 not an incidental part of the sale; and

14 (3) the seller shall be obligated by the
15 express or unavoidable implied terms of the sale, or contract
16 to sell, to make physical delivery of the property or product
17 of a service across a border of New Mexico to the buyer or end
18 user.

19 D. Receipts from transportation services are
20 deductible from gross receipts if the transportation of persons
21 or property either originates in New Mexico and terminates
22 outside New Mexico, originates outside New Mexico and
23 terminates in New Mexico or originates and terminates outside
24 New Mexico, regardless in all cases of any intermediate stops
25 in New Mexico. In addition, receipts from transportation by

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1 air from one point in New Mexico to another point in New Mexico
2 may be deducted from gross receipts.

3 E. Receipts from a transaction in interstate or
4 foreign commerce may not be deducted pursuant to this section
5 if the property or product of the service is delivered to the
6 buyer or the buyer's nominee in New Mexico, except to the
7 extent that the imposition of the gross receipts tax would be
8 unlawful under the United States constitution.

9 F. Receipts of a licensor or franchisor having no
10 physical presence in this state from granting a license or
11 franchise employed in New Mexico shall not be deducted pursuant
12 to this section.

13 [~~G.~~] G. Receipts from transmitting messages or
14 conversations by radio other than from one point in this state
15 to another point in this state and receipts from the sale of
16 radio or television broadcast time when the advertising message
17 is supplied by or on behalf of a national or regional seller or
18 advertiser not having its principal place of business in or
19 being incorporated under the laws of this state may be deducted
20 from gross receipts. Commissions of advertising agencies from
21 performing services in this state may not be deducted from
22 gross receipts under this section.

23 H. As used in this section, "buyer's nominee" means
24 a person other than the buyer to whom the buyer directs the
25 property or product of a service to be shipped."

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1 SECTION 38. Section 7-9-56.3 NMSA 1978 (being Laws 2003,
2 Chapter 232, Section 1, as amended) is amended to read:

3 "7-9-56.3. DEDUCTION--GROSS RECEIPTS--TRADE-SUPPORT
4 COMPANY IN A BORDER ZONE.--

5 A. The receipts of a trade-support company may be
6 deducted from gross receipts if:

7 (1) the trade-support company first locates in
8 New Mexico within twenty miles of a port of entry on New
9 Mexico's border with Mexico [~~on or after July 1, 2003 but~~
10 ~~before July 1, 2013 or~~] on or after January 1, 2016 but before
11 January 1, 2021;

12 (2) the receipts are received by the company
13 within a five-year period beginning on the date the trade-
14 support company locates in New Mexico and the receipts are
15 derived from its business activities and operations at its
16 border zone location; and

17 (3) the trade-support company employs at least
18 two employees in New Mexico.

19 ~~[B. A taxpayer allowed a deduction pursuant to this~~
20 ~~section shall report the amount of the deduction separately in~~
21 ~~a manner required by the department.~~

22 ~~G. The department shall compile an annual report on~~
23 ~~the deduction created pursuant to this section that shall~~
24 ~~include the number of taxpayers approved by the department to~~
25 ~~receive the deduction, the aggregate amount of deductions~~

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1 ~~approved and any other information necessary to evaluate the~~
2 ~~effectiveness of the deduction. Beginning in 2016 and every~~
3 ~~four years thereafter that the deduction is in effect, the~~
4 ~~department shall compile and present the annual reports to the~~
5 ~~revenue stabilization and tax policy committee and the~~
6 ~~legislative finance committee with an analysis of the~~
7 ~~effectiveness and cost of the deduction.~~

8 ~~D.]~~ B. As used in this section:

9 (1) "employee" means an individual, other than
10 an individual who:

11 (a) bears any of the relationships
12 described in Paragraphs (1) through (8) of 26 U.S.C. Section
13 152(a) to the employer or, if the employer is a corporation, to
14 an individual who owns, directly or indirectly, more than fifty
15 percent in value of the outstanding stock of the corporation
16 or, if the employer is an entity other than a corporation, to
17 an individual who owns, directly or indirectly, more than fifty
18 percent of the capital and profits interests in the entity;

19 (b) if the employer is an estate or
20 trust, is a grantor, beneficiary or fiduciary of the estate or
21 trust or is an individual who bears any of the relationships
22 described in Paragraphs (1) through (8) of 26 U.S.C. Section
23 152(a) to a grantor, beneficiary or fiduciary of the estate or
24 trust; or

25 (c) is a dependent, as that term is

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1 described in 26 U.S.C. Section 152(a)(9), of the employer, or,
2 if the taxpayer is a corporation, of an individual who owns,
3 directly or indirectly, more than fifty percent in value of the
4 outstanding stock of the corporation or, if the employer is an
5 entity other than a corporation, an individual who owns,
6 directly or indirectly, more than fifty percent of the capital
7 and profits interests in the entity or, if the employer is an
8 estate or trust, of a grantor, beneficiary or fiduciary of the
9 estate or trust;

10 (2) "port of entry" means an international
11 port of entry in New Mexico at which customs services are
12 provided by United States customs and border protection; and

13 (3) "trade-support company" means a customs
14 brokerage firm or a freight forwarder."

15 SECTION 39. Section 7-9-18 NMSA 1978 (being Laws 1969,
16 Chapter 144, Section 11, as amended) is recompiled as Section
17 7-9-58.1 NMSA 1978 and is amended to read:

18 "7-9-58.1. ~~[EXEMPTION]~~ DEDUCTION--GROSS RECEIPTS [~~TAX~~
19 ~~AND~~]~~--GOVERNMENTAL GROSS RECEIPTS [TAX]~~--AGRICULTURAL
20 PRODUCTS.--

21 A. ~~[Exempted from the gross receipts tax and from~~
22 ~~the governmental gross receipts tax are the]~~ Receipts from
23 selling livestock and receipts of growers, producers, trappers
24 or nonprofit marketing associations from selling livestock,
25 live poultry, unprocessed agricultural products, hides or pelts

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1 ~~[Persons engaged in the business of buying and selling wool or~~
2 ~~mohair or of buying and selling livestock on their own account~~
3 ~~are producers for the purposes of this section]~~ may be deducted
4 from gross receipts or governmental gross receipts.

5 B. Receipts from selling dairy products at retail
6 ~~[are not exempted]~~ shall not be deducted from ~~[the]~~ gross
7 receipts ~~[tax]~~ or governmental gross receipts.

8 C. As used in this section:

9 (1) "livestock" means all domestic or
10 domesticated animals that are used or raised on a farm or
11 ranch, including the carcasses thereof, and also includes
12 horses, asses, mules, cattle, sheep, goats, swine, bison,
13 poultry, ostriches, emus, rheas, camelids and farmed cervidae
14 upon any land in New Mexico; provided that for the purposes
15 of Chapter 77, Article 9 NMSA 1978, "animals" or "livestock"
16 ~~[have]~~ has the meaning defined in that article. "Animals" or
17 "livestock" does not include canine or feline animals. For
18 the purpose of the rules governing meat inspection, wild
19 animals, poultry and birds used for human consumption shall
20 also be included within the meaning of "animals" or
21 "livestock"; and

22 (2) "producers" means persons engaged in the
23 business of buying and selling wool or mohair or of buying
24 and selling livestock on their own account."

25 SECTION 40. A new Section 7-9-60.1 NMSA 1978 is enacted

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1 to read:

2 "7-9-60.1. [NEW MATERIAL] DEDUCTION--COMPENSATING
3 TAX--CERTAIN ORGANIZATIONS.--

4 A. Except for organizations qualifying for the
5 exemption pursuant to Section 7-9-15 NMSA 1978, up to one
6 hundred thousand dollars (\$100,000) annually of the value of
7 property or services used by organizations that demonstrate
8 to the department that they have been granted exemption from
9 the federal income tax by the United States commissioner of
10 internal revenue as organizations described in Section
11 501(c)(3) of the United States Internal Revenue Code of 1986,
12 as that section may be amended or renumbered, in the conduct
13 of functions described in that Section 501(c)(3) may be
14 deducted in computing compensating tax due. The use of
15 property as an ingredient or component part of a construction
16 project is not a use in the conduct of functions described in
17 that Section 501(c)(3).

18 B. This section does not apply to the use of
19 property or services in an unrelated trade or business as
20 defined in Section 513 of the United States Internal Revenue
21 Code of 1986, as that section may be amended or renumbered."

22 SECTION 41. A new Section 7-9-60.2 NMSA 1978 is enacted
23 to read:

24 "7-9-60.2. [NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--
25 CERTAIN ORGANIZATIONS.--

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1 A. Except for organizations qualifying for the
2 exemption pursuant to Section 7-9-29 NMSA 1978, up to one
3 hundred thousand dollars (\$100,000) annually of the receipts
4 of organizations that demonstrate to the department that they
5 have been granted exemption from the federal income tax by
6 the United States commissioner of internal revenue as
7 organizations described in Section 501(c)(3) of the United
8 States Internal Revenue Code of 1986, as that section may be
9 amended or renumbered, may be deducted from gross receipts.

10 B. Up to one hundred thousand dollars (\$100,000)
11 annually of receipts from carrying on chamber of commerce,
12 visitor bureau and convention bureau functions of
13 organizations that demonstrate to the department that they
14 have been granted exemption from the federal income tax by
15 the United States commissioner of internal revenue as
16 organizations described in Section 501(c)(6) of the United
17 States Internal Revenue Code of 1986, as that section may be
18 amended or renumbered, may be deducted from gross receipts.

19 C. This section does not apply to receipts
20 derived from an unrelated trade or business as defined in
21 Section 513 of the United States Internal Revenue Code of
22 1986, as that section may be amended or renumbered."

23 SECTION 42. Section 7-9-62 NMSA 1978 (being Laws 1969,
24 Chapter 144, Section 52, as amended) is amended to read:

25 "7-9-62. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--AGRICULTURAL

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1 IMPLEMENTS--AIRCRAFT MANUFACTURERS--VEHICLES THAT ARE NOT
2 REQUIRED TO BE REGISTERED--AIRCRAFT PARTS AND MAINTENANCE
3 SERVICES [~~REPORTING REQUIREMENTS~~].--

4 A. Except for receipts deductible under
5 Subsection B of this section, fifty percent of the receipts
6 from selling agricultural implements, farm tractors, aircraft
7 or vehicles that are not required to be registered under the
8 Motor Vehicle Code may be deducted from gross receipts;
9 provided that, with respect to agricultural implements, the
10 sale is made to a person who states in writing that the
11 person is regularly engaged in the business of farming or
12 ranching. Any deduction allowed under Section 7-9-71 NMSA
13 1978 [~~must~~] shall be taken before the deduction allowed by
14 this subsection is computed.

15 B. Receipts of an aircraft manufacturer or
16 affiliate from selling aircraft or from selling aircraft
17 flight support, pilot training or maintenance training
18 services may be deducted from gross receipts. Any deduction
19 allowed under Section 7-9-71 NMSA 1978 [~~must~~] shall be taken
20 before the deduction allowed by this subsection is computed.

21 C. Receipts from selling aircraft parts or
22 maintenance services for aircraft or aircraft parts may be
23 deducted from gross receipts. Any deduction allowed under
24 Section 7-9-71 NMSA 1978 [~~must~~] shall be taken before the
25 deduction allowed by this subsection is computed.

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1 ~~[D. A taxpayer allowed a deduction pursuant to~~
2 ~~this section shall report the amount of the deduction~~
3 ~~separately in a manner required by the department.~~

4 ~~E. The department shall compile an annual report~~
5 ~~on the deductions provided by this section that shall include~~
6 ~~the number of taxpayers approved by the department to receive~~
7 ~~the deductions, the aggregate amount of deductions approved~~
8 ~~and any other information necessary to evaluate the~~
9 ~~effectiveness of the deductions. Beginning in 2019 and every~~
10 ~~five years thereafter that the deductions are in effect, the~~
11 ~~department shall compile and present the annual reports to~~
12 ~~the revenue stabilization and tax policy committee and the~~
13 ~~legislative finance committee with an analysis of the~~
14 ~~effectiveness and cost of the deductions.~~

15 ~~F.]~~ D. As used in this section:

16 ~~[(1) "affiliate" means a business entity~~
17 ~~that directly or indirectly through one or more~~
18 ~~intermediaries controls, is controlled by or is under common~~
19 ~~control with the aircraft manufacturer;~~

20 ~~(2)]~~ (1) "agricultural implement" means a
21 tool, utensil or instrument that is depreciable for federal
22 income tax purposes and that is:

23 (a) designed to irrigate agricultural
24 crops above ground or below ground at the place where the
25 crop is grown; or

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1 (b) designed primarily for use with a
2 source of motive power, such as a tractor, in planting,
3 growing, cultivating, harvesting or processing agricultural
4 crops at the place where the crop is grown; in raising
5 poultry or livestock; or in obtaining or processing food or
6 fiber, such as eggs, milk, wool or mohair, from living
7 poultry or livestock at the place where the poultry or
8 livestock are kept for this purpose;

9 [~~(3)~~] (2) "aircraft manufacturer" means a
10 business entity that in the ordinary course of business
11 designs and builds private or commercial aircraft certified
12 by the federal aviation administration;

13 [~~(4)~~] (3) "business entity" means a
14 corporation, limited liability company, partnership, limited
15 partnership, limited liability partnership or real estate
16 investment trust, but does not mean an individual or a joint
17 venture;

18 [~~(5)~~] "~~control~~" ~~means equity ownership in a~~
19 ~~business entity that:~~

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

22 ~~(b) has a value equal to at least~~
23 ~~fifty percent of the total equity of that business entity;]~~

24 and

25 [~~(6)~~] (4) "flight support" means providing

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1 navigation data, charts, weather information, online
2 maintenance records and other aircraft or flight-related
3 information and the software needed to access the
4 information."

5 SECTION 43. Section 7-9-62.1 NMSA 1978 (being Laws 2000
6 (2nd S.S.), Chapter 4, Section 2, as amended) is amended to
7 read:

8 "7-9-62.1. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--AIRCRAFT
9 SALES AND SERVICES [~~REPORTING REQUIREMENTS~~].--[~~A.~~] Receipts
10 from the sale of or from maintaining, refurbishing,
11 remodeling or otherwise modifying a commercial or military
12 carrier over ten thousand pounds gross landing weight may be
13 deducted from gross receipts.

14 [~~B. A taxpayer allowed a deduction pursuant to
15 this section shall report the amount of the deduction
16 separately in a manner required by the department.~~]

17 [~~C. The department shall compile an annual report
18 on the deduction provided by this section that shall include
19 the number of taxpayers approved by the department to receive
20 the deduction, the aggregate amount of deductions approved
21 and any other information necessary to evaluate the
22 effectiveness of the deduction. Beginning in 2019 and every
23 five years thereafter that the deduction is in effect, the
24 department shall compile and present the annual reports to
25 the revenue stabilization and tax policy committee and the~~]

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1 ~~legislative finance committee with an analysis of the~~
2 ~~effectiveness and cost of the deduction.]"~~

3 SECTION 44. Section 7-9-65 NMSA 1978 (being Laws 1969,
4 Chapter 144, Section 56) is amended to read:

5 "7-9-65. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--CHEMICALS AND
6 REAGENTS.--Receipts from selling chemicals or reagents to any
7 mining, milling or oil company for use in processing ores or
8 oil in a mill, smelter or refinery or in acidizing oil wells
9 ~~[and receipts from selling chemicals or reagents in lots in~~
10 ~~excess of eighteen tons]~~ may be deducted from gross receipts.
11 Receipts from selling explosives, blasting powder or dynamite
12 ~~[may] and receipts from selling chemicals or reagents for use~~
13 ~~as fuel shall not be deducted from gross receipts pursuant to~~
14 ~~this section."~~

15 SECTION 45. Section 7-9-66 NMSA 1978 (being Laws 1969,
16 Chapter 144, Section 57, as amended) is amended to read:

17 "7-9-66. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--
18 COMMISSIONS.-- [~~A.~~] Receipts derived from commissions on
19 sales of tangible personal property ~~[which] that~~ are not
20 subject to the gross receipts tax may be deducted from gross
21 receipts.

22 ~~[B. Receipts of the owner of a dealer store~~
23 ~~derived from commissions received for performing the service~~
24 ~~of selling from the owner's dealer store a principal's~~
25 ~~tangible personal property may be deducted from gross~~

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1 receipts.

2 C. ~~As used in this section, "dealer store" means~~
3 ~~a merchandise facility open to the public that is owned and~~
4 ~~operated by a person who contracts with a principal to act as~~
5 ~~an agent for the sale from that facility of merchandise owned~~
6 ~~by the principal.]"~~

7 SECTION 46. Section 7-9-69 NMSA 1978 (being Laws 1969,
8 Chapter 144, Section 61, as amended) is amended to read:

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

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

18 B. For the purposes of this section,
19 [~~(1) "affiliate" means a business entity~~
20 ~~that directly or indirectly through one or more~~
21 ~~intermediaries controls, is controlled by or is under common~~
22 ~~control with another business entity;~~

23 ~~(2)] "business entity" means a corporation,~~
24 limited liability company, partnership, limited partnership,
25 limited liability partnership or real estate investment

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1 trust, but does not mean an individual or a joint venture
2 [and

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

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

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

9 SECTION 47. Section 7-9-73.3 NMSA 1978 (being Laws
10 2014, Chapter 26, Section 1) is amended to read:

11 "7-9-73.3. DEDUCTION--GROSS RECEIPTS [TAX] AND
12 GOVERNMENTAL GROSS RECEIPTS [TAX]--DURABLE MEDICAL
13 EQUIPMENT--MEDICAL SUPPLIES.--

14 A. Receipts from transactions occurring prior to
15 July 1, 2020 that are from the sale or rental of durable
16 medical equipment and medical supplies may be deducted from
17 gross receipts and governmental gross receipts.

18 B. The purpose of the deduction provided in this
19 section is to help protect jobs and retain businesses in
20 New Mexico that sell or rent durable medical equipment and
21 medical supplies.

22 ~~[G. A taxpayer allowed a deduction pursuant to~~
23 ~~this section shall report the amount of the deduction~~
24 ~~separately in a manner required by the department.~~

25 ~~D.]~~ C. The deduction provided in this section

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1 shall be taken only by a taxpayer participating in the New
2 Mexico medicaid program whose gross receipts are no less than
3 ninety percent derived from the sale or rental of durable
4 medical equipment, medical supplies or infusion therapy
5 services, including the medications used in infusion therapy
6 services.

7 ~~[E. Acceptance of a deduction provided by this~~
8 ~~section is authorization by the taxpayer receiving the~~
9 ~~deduction for the department to reveal information to the~~
10 ~~revenue stabilization and tax policy committee and the~~
11 ~~legislative finance committee necessary to analyze the~~
12 ~~effectiveness and cost of the deduction and whether the~~
13 ~~deduction is performing the purpose for which it was created.~~

14 ~~F. The department shall compile an annual report~~
15 ~~on the deduction provided by this section that shall include~~
16 ~~the number of taxpayers approved by the department to receive~~
17 ~~the deduction, the aggregate amount of deductions approved~~
18 ~~and any other information necessary to evaluate the~~
19 ~~effectiveness of the deduction. Beginning in 2019 and every~~
20 ~~five years thereafter, the department shall compile and~~
21 ~~present the annual reports to the revenue stabilization and~~
22 ~~tax policy committee and the legislative finance committee~~
23 ~~with an analysis of the effectiveness and cost of the~~
24 ~~deduction and whether the deduction is performing the purpose~~
25 ~~for which it was created.~~

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1 ~~G.~~ D. As used in this section:

2 (1) "durable medical equipment" means a
3 medical assistive device or other equipment that:

4 (a) can withstand repeated use;

5 (b) is primarily and customarily used
6 to serve a medical purpose and is not useful to an individual
7 in the absence of an illness, injury or other medical
8 necessity, including improved functioning of a body part;

9 (c) is appropriate for use at home
10 exclusively by the eligible recipient for whom the durable
11 medical equipment is prescribed; and

12 (d) is prescribed by a physician or
13 other person licensed by the state to prescribe durable
14 medical equipment;

15 (2) "infusion therapy services" means the
16 administration of prescribed medication through a needle or
17 catheter;

18 (3) "medical supplies" means items for a
19 course of medical treatment, including nutritional products,
20 that are:

21 (a) necessary for an ongoing course of
22 medical treatment;

23 (b) disposable and cannot be reused;

24 and

25 (c) prescribed by a physician or other

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1 person licensed by the state to prescribe medical supplies;
2 and

3 (4) "prescribe" means to authorize the use
4 of an item or substance for a course of medical treatment."

5 SECTION 48. Section 7-9-77.1 NMSA 1978 (being Laws
6 1998, Chapter 96, Section 1, as amended) is amended to read:

7 "7-9-77.1. DEDUCTION--GROSS RECEIPTS [~~TAX~~]--CERTAIN
8 MEDICAL AND HEALTH CARE SERVICES.--

9 A. Receipts of a health care practitioner from
10 payments by the United States government or any agency
11 thereof for provision of medical and other health services by
12 a health care practitioner or of medical or other health and
13 palliative services by hospices or nursing homes to medicare
14 beneficiaries pursuant to the provisions of Title 18 of the
15 federal Social Security Act may be deducted from gross
16 receipts.

17 B. Receipts of a health care practitioner from
18 payments by a third-party administrator of the federal
19 TRICARE program for provision of medical and other health
20 services by medical doctors and osteopathic physicians to
21 covered beneficiaries may be deducted from gross receipts.

22 C. Receipts of a health care practitioner from
23 payments by or on behalf of the Indian health service of the
24 United States department of health and human services for
25 provision of medical and other health services by medical

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1 doctors and osteopathic physicians to covered beneficiaries
2 may be deducted from gross receipts.

3 D. Receipts of a clinical laboratory from
4 payments by the United States government or any agency
5 thereof for medical services provided by the clinical
6 laboratory to medicare beneficiaries pursuant to the
7 provisions of Title 18 of the federal Social Security Act may
8 be deducted from gross receipts.

9 E. Receipts of a home health agency from payments
10 by the United States government or any agency thereof for
11 medical, other health and palliative services provided by the
12 home health agency to medicare beneficiaries pursuant to the
13 provisions of Title 18 of the federal Social Security Act may
14 be deducted from gross receipts.

15 F. Prior to July 1, 2024, receipts of a dialysis
16 facility from payments by the United States government or any
17 agency thereof for medical and other health services provided
18 by the dialysis facility to medicare beneficiaries pursuant
19 to the provisions of Title 18 of the federal Social Security
20 Act may be deducted from gross receipts.

21 ~~[G. A taxpayer allowed a deduction pursuant to~~
22 ~~this section shall report the amount of the deduction~~
23 ~~separately in a manner required by the department. A~~
24 ~~taxpayer who has receipts that are deductible pursuant to~~
25 ~~this section and Section 7-9-93 NMSA 1978 shall deduct the~~

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1 ~~receipts under this section prior to calculating the receipts~~
2 ~~that may be deducted pursuant to Section 7-9-93 NMSA 1978.~~

3 ~~H. The department shall compile an annual report~~
4 ~~on the deductions created pursuant to this section that shall~~
5 ~~include the number of taxpayers approved by the department to~~
6 ~~receive each deduction, the aggregate amount of deductions~~
7 ~~approved and any other information necessary to evaluate the~~
8 ~~effectiveness of the deductions. The department shall~~
9 ~~compile and present the annual reports to the revenue~~
10 ~~stabilization and tax policy committee and the legislative~~
11 ~~finance committee with an analysis of the effectiveness and~~
12 ~~cost of the deductions and whether the deductions are~~
13 ~~providing a benefit to the state.~~

14 ~~F.]~~ G. For the purposes of this section:

15 (1) "clinical laboratory" means a laboratory
16 accredited pursuant to 42 USCA 263a;

17 (2) "dialysis facility" means an end-stage
18 renal disease facility as defined pursuant to 42 C.F.R.
19 405.2102;

20 (3) "health care practitioner" means:

21 (a) an athletic trainer licensed
22 pursuant to the Athletic Trainer Practice Act;

23 (b) an audiologist licensed pursuant
24 to the Speech-Language Pathology, Audiology and Hearing Aid
25 Dispensing Practices Act;

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1 (c) a chiropractic physician licensed
2 pursuant to the Chiropractic Physician Practice Act;

3 (d) a counselor or therapist
4 practitioner licensed pursuant to the Counseling and Therapy
5 Practice Act;

6 (e) a dentist licensed pursuant to the
7 Dental Health Care Act;

8 (f) a doctor of oriental medicine
9 licensed pursuant to the Acupuncture and Oriental Medicine
10 Practice Act;

11 (g) an independent social worker
12 licensed pursuant to the Social Work Practice Act;

13 (h) a massage therapist licensed
14 pursuant to the Massage Therapy Practice Act;

15 (i) a naprapath licensed pursuant to
16 the Naprapathic Practice Act;

17 (j) a nutritionist or dietitian
18 licensed pursuant to the Nutrition and Dietetics Practice
19 Act;

20 (k) an occupational therapist licensed
21 pursuant to the Occupational Therapy Act;

22 (l) an optometrist licensed pursuant
23 to the Optometry Act;

24 (m) an osteopathic physician licensed
25 pursuant to the Osteopathic Medicine Act;

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1 (n) a pharmacist licensed pursuant to
2 the Pharmacy Act;

3 (o) a physical therapist licensed
4 pursuant to the Physical Therapy Act;

5 (p) a physician licensed pursuant to
6 the Medical Practice Act;

7 (q) a podiatrist licensed pursuant to
8 the Podiatry Act;

9 (r) a psychologist licensed pursuant
10 to the Professional Psychologist Act;

11 (s) a radiologic technologist licensed
12 pursuant to the Medical Imaging and Radiation Therapy Health
13 and Safety Act;

14 (t) a registered nurse licensed
15 pursuant to the Nursing Practice Act;

16 (u) a respiratory care practitioner
17 licensed pursuant to the Respiratory Care Act; and

18 (v) a speech-language pathologist
19 licensed pursuant to the Speech-Language Pathology, Audiology
20 and Hearing Aid Dispensing Practices Act;

21 (4) "home health agency" means a for-profit
22 entity that is licensed by the department of health and
23 certified by the federal centers for medicare and medicaid
24 services as a home health agency and certified to provide
25 medicare services;

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1 (5) "hospice" means a for-profit entity
2 licensed by the department of health as a hospice and
3 certified to provide medicare services;

4 (6) "nursing home" means a for-profit entity
5 licensed by the department of health as a nursing home and
6 certified to provide medicare services; and

7 (7) "TRICARE program" means the program
8 defined in 10 U.S.C. 1072(7)."

9 SECTION 49. Section 7-9-79 NMSA 1978 (being Laws 1966,
10 Chapter 47, Section 16, as amended) is amended to read:

11 "7-9-79. CREDIT--STATE, MUNICIPAL AND COUNTY
12 COMPENSATING TAX.--

13 A. If, on property bought outside this state, a
14 gross receipts, sales, compensating or similar tax has been
15 levied by another state or political subdivision thereof on
16 the transaction by which the person using the property in New
17 Mexico acquired the property or a compensating, use or
18 similar tax has been levied by another state on the use of
19 the property subsequent to its acquisition by the person
20 using the property in New Mexico and such tax has been paid,
21 the amount of such tax paid may be credited against any
22 compensating tax, municipal compensating tax or county
23 compensating tax due [~~this state~~] on the same property. The
24 amount of the tax paid to the other state or its political
25 subdivision shall be applied against the combined total

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1 compensating tax, municipal compensating tax and county
2 compensating tax due in the ratio that the amount of such tax
3 bears to the combined total, but in no event shall the amount
4 credited exceed the combined total.

5 B. When the receipts from the sale of real
6 property constructed by a person in the ordinary course of
7 [~~his~~] the person's construction business are subject to the
8 gross receipts tax, the amount of compensating tax previously
9 paid by the person on materials [~~which~~] that became an
10 ingredient or component part of the construction project and
11 on construction services performed upon the construction
12 project may be credited against the gross receipts tax due on
13 the sale. If the person also previously paid a municipal or
14 county compensating tax on the construction materials or
15 construction services, those tax amounts may be credited
16 against any local option gross receipts tax due on the
17 receipts from the sale. In no event shall the amount of the
18 compensating tax, municipal compensating tax or county
19 compensating tax credited exceed respectively the gross
20 receipts tax or combined local option gross receipts taxes
21 due."

22 SECTION 50. Section 7-9-79.1 NMSA 1978 (being Laws
23 1989, Chapter 262, Section 8, as amended) is amended to read:

24 "7-9-79.1. CREDIT--GROSS RECEIPTS TAX--SERVICES.--If on
25 services performed outside the state a gross receipts sales

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1 or similar tax has been levied by another state or a
2 political subdivision thereof and such tax has been paid, the
3 amount of the tax paid may be credited against any gross
4 receipts tax and any local option gross receipts tax due
5 [~~this state~~] on the receipts [~~after July 1, 1989~~] from the
6 sale in New Mexico of the product of the services performed
7 outside this state. The amount of credit shall not exceed an
8 amount equal to the combined sum of the rate of tax imposed
9 under Section 7-9-4 NMSA 1978, plus any local option gross
10 receipts tax rates imposed, multiplied by the amount subject
11 to tax by both New Mexico and the other state or political
12 subdivision of that state. The amount of credit granted
13 shall be applied against the gross receipts tax and
14 applicable local option gross receipts taxes in the
15 proportion that each tax rate bears to the total combined
16 rate of gross receipts tax plus applicable local option gross
17 receipts tax rates."

18 SECTION 51. Section 7-9-26.1 NMSA 1978 (being Laws
19 2003, Chapter 62, Section 1) is recompiled as Section
20 7-9-84.1 NMSA 1978 and is amended to read:

21 "7-9-84.1. [~~EXEMPTION~~] DEDUCTION--GROSS RECEIPTS [~~TAX~~
22 ~~AND~~]--COMPENSATING TAX--FUEL FOR SPACE VEHICLES.--

23 A. [~~Exempted from the gross receipts tax are the~~]
24 Receipts from selling fuel, oxidizer or a substance that
25 combines fuel and oxidizer to propel space vehicles or to

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1 operate space vehicle launchers may be deducted from gross
2 receipts.

3 B. [~~Exempted from the compensating tax is the~~
4 ~~use]~~ The value of fuel, oxidizer or a substance that combines
5 fuel and oxidizer to propel space vehicles or to operate
6 space vehicle launchers may be deducted when computing
7 compensating tax due."

8 SECTION 52. Section 7-9-92 NMSA 1978 (being Laws 2004,
9 Chapter 116, Section 5) is amended to read:

10 "7-9-92. [~~DEDUCTION]~~ CREDIT--GROSS RECEIPTS TAX--SALE
11 OF FOOD AT RETAIL FOOD STORE.--

12 A. A credit may be claimed against the gross
13 receipts tax imposed pursuant to Section 7-9-4 NMSA 1978, but
14 not against any local option gross receipts tax, for receipts
15 from the sale of food at a retail food store that are not
16 exempt from gross receipts taxation and are not deductible
17 pursuant to another provision of the Gross Receipts and
18 Compensating Tax Act [~~may be deducted from gross receipts].~~
19 The [~~deduction]~~ credit provided by this section shall be
20 separately stated by the taxpayer. The amount of the credit
21 shall equal the gross receipts from the sale of food at a
22 retail food store that are not otherwise exempt or deductible
23 multiplied by the gross receipts tax rate in effect at the
24 time the receipts were received.

25 B. For the purposes of this section:

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1 (1) "food" means any food or food product
2 for home consumption that meets the definition of food in 7
3 USCA [~~2012(g)(1)~~] 2012(k)(1) for purposes of the federal
4 [~~food stamp~~] supplemental nutrition assistance program; and

5 (2) "retail food store" means an
6 establishment that sells food for home preparation and
7 consumption and that meets the definition of retail food
8 store in 7 USCA [~~2012(k)(1)~~] 2012(o)(1) for purposes of the
9 federal [~~food stamp~~] supplemental nutrition assistance
10 program, whether or not the establishment participates in the
11 [~~food stamp~~] supplemental nutrition assistance program."

12 SECTION 53. Section 7-9-93 NMSA 1978 (being Laws 2004,
13 Chapter 116, Section 6, as amended) is amended to read:

14 "7-9-93. [~~DEDUCTION~~] CREDIT--GROSS RECEIPTS TAX--
15 CERTAIN RECEIPTS FOR SERVICES PROVIDED BY HEALTH CARE
16 PRACTITIONER.--

17 A. A credit may be claimed against the gross
18 receipts tax imposed pursuant to Section 7-9-4 NMSA 1978, but
19 not against any local option gross receipts tax, for receipts
20 of a health care practitioner for commercial contract
21 services or medicare part C services paid by a managed health
22 care provider or health care insurer [~~may be deducted from~~
23 ~~gross receipts~~] if the services are within the scope of
24 practice of the health care practitioner providing the
25 service and if receipts from the services are not exempt from

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1 taxation or deductible under other provisions of the Gross
2 Receipts and Compensating Tax Act. Credit for receipts from
3 fee-for-service payments by a health care insurer may not be
4 [~~deducted from gross receipts~~] claimed or allowed.

5 B. [~~The deduction provided by this section shall~~
6 ~~be applied only to gross receipts remaining after all other~~
7 ~~allowable deductions available under the Gross Receipts and~~
8 ~~Compensating Tax Act have been taken and shall be separately~~
9 ~~stated by the taxpayer] The amount of the credit described in
10 Subsection A of this section shall equal the receipts
11 described in that subsection multiplied by the gross receipts
12 tax rate in effect at the time the receipts were received.~~

13 C. For the purposes of this section:

14 (1) "commercial contract services" means
15 health care services performed by a health care practitioner
16 pursuant to a contract with a managed health care provider or
17 health care insurer other than those health care services
18 provided for medicare patients pursuant to Title 18 of the
19 federal Social Security Act or for medicaid patients pursuant
20 to Title 19 or Title 21 of the federal Social Security Act;

21 (2) "health care insurer" means a person
22 that:

23 (a) has a valid certificate of
24 authority in good standing pursuant to the New Mexico
25 Insurance Code to act as an insurer, health maintenance

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1 organization or nonprofit health care plan or prepaid dental
2 plan; and

3 (b) contracts to reimburse licensed
4 health care practitioners for providing basic health services
5 to enrollees at negotiated fee rates;

6 (3) "health care practitioner" means:

7 (a) a chiropractic physician licensed
8 pursuant to the provisions of the Chiropractic Physician
9 Practice Act;

10 (b) a dentist or dental hygienist
11 licensed pursuant to the Dental Health Care Act;

12 (c) a doctor of oriental medicine
13 licensed pursuant to the provisions of the Acupuncture and
14 Oriental Medicine Practice Act;

15 (d) an optometrist licensed pursuant
16 to the provisions of the Optometry Act;

17 (e) an osteopathic physician or an
18 osteopathic physician's assistant licensed pursuant to the
19 provisions of the Osteopathic Medicine Act;

20 (f) a physical therapist licensed
21 pursuant to the provisions of the Physical Therapy Act;

22 (g) a physician or physician assistant
23 licensed pursuant to the provisions of the Medical Practice
24 Act;

25 (h) a podiatrist licensed pursuant to

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1 the provisions of the Podiatry Act;

2 (i) a psychologist licensed pursuant
3 to the provisions of the Professional Psychologist Act;

4 (j) a registered lay midwife
5 registered by the department of health;

6 (k) a registered nurse or licensed
7 practical nurse licensed pursuant to the provisions of the
8 Nursing Practice Act;

9 (l) a registered occupational
10 therapist licensed pursuant to the provisions of the
11 Occupational Therapy Act;

12 (m) a respiratory care practitioner
13 licensed pursuant to the provisions of the Respiratory Care
14 Act;

15 (n) a speech-language pathologist or
16 audiologist licensed pursuant to the Speech-Language
17 Pathology, Audiology and Hearing Aid Dispensing Practices
18 Act;

19 (o) a professional clinical mental
20 health counselor, marriage and family therapist or
21 professional art therapist licensed pursuant to the
22 provisions of the Counseling and Therapy Practice Act who has
23 obtained a master's degree or a doctorate;

24 (p) an independent social worker
25 licensed pursuant to the provisions of the Social Work

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1 Practice Act; and

2 (q) a clinical laboratory that is
3 accredited pursuant to 42 U.S.C. Section 263a but that is not
4 a laboratory in a physician's office or in a hospital defined
5 pursuant to 42 U.S.C. Section 1395x;

6 (4) "managed health care provider" means a
7 person that provides for the delivery of comprehensive basic
8 health care services and medically necessary services to
9 individuals enrolled in a plan through its own employed
10 health care providers or by contracting with selected or
11 participating health care providers. "Managed health care
12 provider" includes only those persons that provide
13 comprehensive basic health care services to enrollees on a
14 contract basis, including the following:

- 15 (a) health maintenance organizations;
- 16 (b) preferred provider organizations;
- 17 (c) individual practice associations;
- 18 (d) competitive medical plans;
- 19 (e) exclusive provider organizations;
- 20 (f) integrated delivery systems;
- 21 (g) independent physician-provider
22 organizations;
- 23 (h) physician hospital-provider
24 organizations; and
- 25 (i) managed care services

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1 organizations; and

2 (5) "medicare part C services" means
3 services performed pursuant to a contract with a managed
4 health care provider for medicare patients pursuant to Title
5 18 of the federal Social Security Act."

6 SECTION 54. Section 7-9-94 NMSA 1978 (being Laws 2005,
7 Chapter 104, Section 23, as amended) is amended to read:

8 "7-9-94. DEDUCTION--GROSS RECEIPTS--MILITARY
9 TRANSFORMATIONAL ACQUISITION PROGRAMS.--

10 A. Receipts from transformational acquisition
11 programs performing research and development, test and
12 evaluation at New Mexico major range and test facility bases
13 pursuant to contracts entered into with the United States
14 department of defense may be deducted from gross receipts
15 through June 30, 2025.

16 B. As used in this section, "transformational
17 acquisition program" means a military acquisition program
18 authorized by the office of the secretary of defense force
19 transformation and not physically tested in New Mexico on or
20 before July 1, 2005.

21 C. The deduction provided in this section does
22 not apply to receipts of a prime contractor operating
23 facilities designated as a national laboratory by act of
24 congress and is not applicable to current force programs as
25 of July 1, 2005.

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1 ~~[D. The department shall compile an annual report~~
2 ~~on the deduction provided by this section that shall include~~
3 ~~the number of taxpayers that claimed the deduction, the~~
4 ~~aggregate amount of deductions claimed and any other~~
5 ~~information necessary to evaluate the effectiveness of the~~
6 ~~deduction. No later than December 1 of each year that the~~
7 ~~deduction is in effect, the department shall compile and~~
8 ~~present the annual report to the revenue stabilization and~~
9 ~~tax policy committee and the legislative finance committee~~
10 ~~with an analysis of the cost and benefit to the state of the~~
11 ~~deduction.]"~~

12 SECTION 55. Section 7-9-96.1 NMSA 1978 (being Laws
13 2007, Chapter 361, Section 7) is amended to read:

14 "7-9-96.1. CREDIT--GROSS RECEIPTS TAX--RECEIPTS OF
15 CERTAIN HOSPITALS.--

16 A. A hospital licensed by the department of
17 health may claim a credit for each reporting period against
18 the gross receipts tax due for that reporting period as
19 follows:

20 (1) for a hospital located in a
21 municipality:

22 (a) on or after ~~[July 1, 2007 but~~
23 ~~before July 1, 2008, in an amount equal to seven hundred~~
24 ~~fifty-five thousandths percent of the hospital's taxable~~
25 ~~gross receipts for that reporting period after all applicable~~

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1 ~~deductions have been taken;~~

2 ~~(b) on or after July 1, 2008 but~~
3 ~~before July 1, 2009, in an amount equal to one and fifty-one~~
4 ~~hundredths percent of the hospital's taxable gross receipts~~
5 ~~for that reporting period after all applicable deductions~~
6 ~~have been taken;~~

7 ~~(c) on or after July 1, 2009 but~~
8 ~~before July 1, 2010, in an amount equal to two and two~~
9 ~~hundred sixty-five thousandths percent of the hospital's~~
10 ~~taxable gross receipts for that reporting period after all~~
11 ~~applicable deductions have been taken;~~

12 ~~(d) on or after July 1, 2010 but~~
13 ~~before July 1, 2011, in an amount equal to three and two~~
14 ~~hundredths percent of the hospital's taxable gross receipts~~
15 ~~for that reporting period after all applicable deductions~~
16 ~~have been taken; and~~

17 ~~(e) on or after~~ July 1, 2011 but
18 prior to January 1, 2019, in an amount equal to three and
19 seven hundred seventy-five thousandths percent of the
20 hospital's taxable gross receipts for that reporting period
21 after all applicable deductions have been taken; and

22 (b) on and after January 1, 2019, the
23 hospital's taxable gross receipts multiplied by the
24 applicable gross receipts tax rate imposed pursuant to
25 Section 7-9-4 NMSA 1978; and

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1 (2) for a hospital located in the
2 unincorporated area of a county:

3 (a) on or after ~~[July 1, 2007 but~~
4 ~~before July 1, 2008, in an amount equal to one percent of the~~
5 ~~hospital's taxable gross receipts for that reporting period~~
6 ~~after all applicable deductions have been taken;~~

7 ~~(b) on or after July 1, 2008, but~~
8 ~~before July 1, 2009, in an amount equal to two percent of the~~
9 ~~hospital's taxable gross receipts for that reporting period~~
10 ~~after all applicable deductions have been taken;~~

11 ~~(c) on or after July 1, 2009 but~~
12 ~~before July 1, 2010, in an amount equal to three percent of~~
13 ~~the hospital's taxable gross receipts for that reporting~~
14 ~~period after all applicable deductions have been taken;~~

15 ~~(d) on or after July 1, 2010 but~~
16 ~~before July 1, 2011, in an amount equal to four percent of~~
17 ~~the hospital's taxable gross receipts for that reporting~~
18 ~~period after all applicable deductions have been taken; and~~

19 ~~(e) on or after] July 1, 2011 and~~
20 prior to January 1, 2019, in an amount equal to five percent
21 of the hospital's taxable gross receipts for that reporting
22 period after all applicable deductions have been taken; and

23 (b) on and after January 1, 2019, the
24 hospital's taxable gross receipts multiplied by the
25 applicable gross receipts tax rate imposed pursuant to

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1 Section 7-9-4 NMSA 1978.

2 B. For the purposes of this section, "hospital"
3 means a facility providing emergency or urgent care,
4 inpatient medical care and nursing care for acute illness,
5 injury, surgery or obstetrics and includes a facility
6 licensed by the department of health as a critical access
7 hospital, general hospital, long-term acute care hospital,
8 psychiatric hospital, rehabilitation hospital, limited
9 services hospital and special hospital."

10 SECTION 56. Section 7-9G-2 NMSA 1978 (being Laws 2007,
11 Chapter 229, Section 1, as amended) is amended to read:

12 "7-9G-2. ADVANCED ENERGY COMBINED REPORTING TAX
13 CREDIT--GROSS RECEIPTS TAX--COMPENSATING TAX--WITHHOLDING
14 TAX.--

15 A. Except as otherwise provided in this section,
16 a taxpayer that holds an interest in a qualified generating
17 facility located in New Mexico may claim a credit to be
18 computed pursuant to the provisions of this section. The
19 credit provided by this section may be referred to as the
20 "advanced energy combined reporting tax credit".

21 B. As used in this section:

22 (1) "advanced energy tax credit" means the
23 advanced energy income tax credit, the advanced energy
24 corporate income tax credit and the advanced energy combined
25 reporting tax credit;

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1 (2) "coal-based electric generating
2 facility" means a new or repowered generating facility and an
3 associated coal gasification facility, if any, that uses coal
4 to generate electricity and that meets the following
5 specifications:

6 (a) emits the lesser of: 1) what is
7 achievable with the best available control technology; or 2)
8 thirty-five thousandths pound per million British thermal
9 units of sulfur dioxide, twenty-five thousandths pound per
10 million British thermal units of oxides of nitrogen and one
11 hundredth pound per million British thermal units of total
12 particulates in the flue gas;

13 (b) removes the greater of: 1) what
14 is achievable with the best available control technology; or
15 2) ninety percent of the mercury from the input fuel;

16 (c) captures and sequesters or
17 controls carbon dioxide emissions so that by the later of
18 January 1, 2017 or eighteen months after the commercial
19 operation date of the coal-based electric generating
20 facility, no more than one thousand one hundred pounds per
21 megawatt-hour of carbon dioxide is emitted into the
22 atmosphere;

23 (d) all infrastructure required for
24 sequestration is in place by the later of January 1, 2017 or
25 eighteen months after the commercial operation date of the

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1 coal-based electric generating facility;

2 (e) includes methods and procedures to
3 monitor the disposition of the carbon dioxide captured and
4 sequestered from the coal-based electric generating facility;
5 and

6 (f) does not exceed a name-plate
7 capacity of seven hundred net megawatts;

8 (3) "department" means the taxation and
9 revenue department, the secretary of taxation and revenue or
10 any employee of the department exercising authority lawfully
11 delegated to that employee by the secretary;

12 (4) "eligible generation plant costs" means
13 expenditures for the development and construction of a
14 qualified generating facility, including permitting; site
15 characterization and assessment; engineering; design; carbon
16 dioxide capture, treatment, compression, transportation and
17 sequestration; site and equipment acquisition; and fuel
18 supply development used directly and exclusively in a
19 qualified generating facility;

20 (5) "entity" means an individual, estate,
21 trust, receiver, cooperative association, club, corporation,
22 company, firm, partnership, limited liability company,
23 limited liability partnership, joint venture, syndicate or
24 other association or a gas, water or electric utility owned
25 or operated by a county or municipality;

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1 (6) "geothermal electric generating
2 facility" means a facility with a name-plate capacity of one
3 megawatt or more that uses geothermal energy to generate
4 electricity, including a facility that captures and provides
5 geothermal energy to a preexisting electric generating
6 facility using other fuels in part;

7 (7) "gross receipts tax due to the state"
8 means the taxpayer's gross receipts liability for the
9 reporting period [~~that is:~~

10 ~~(a) determined by, if the taxpayer's~~
11 ~~business location is described in Subsection A of Section~~
12 ~~7-1-6.4 NMSA 1978, multiplying the taxpayer's taxable gross~~
13 ~~receipts for the reporting period by the difference between~~
14 ~~the gross receipts tax rate specified in Section 7-9-4 NMSA~~
15 ~~1978 and one and two hundred twenty-five thousandths percent;~~
16 ~~or~~

17 ~~(b) equal to, if the taxpayer's~~
18 ~~business location is not described in Subsection A of Section~~
19 ~~7-1-6.4 NMSA 1978, the gross receipts tax rate specified in~~
20 ~~Section 7-9-4 NMSA 1978];~~

21 (8) "interest in a qualified generating
22 facility" means title to a qualified generating facility; a
23 leasehold interest in a qualified generating facility; an
24 ownership interest in a business or entity that is taxed for
25 federal income tax purposes as a partnership that holds title

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1 to or a leasehold interest in a qualified generating
2 facility; or an ownership interest, through one or more
3 intermediate entities that are each taxed for federal income
4 tax purposes as a partnership, in a business that holds title
5 to or a leasehold interest in a qualified generating
6 facility;

7 (9) "name-plate capacity" means the maximum
8 rated output of the facility measured as alternating current
9 or the equivalent direct current measurement;

10 (10) "qualified generating facility" means
11 a facility that begins construction not later than December
12 31, 2015 and is:

13 (a) a solar thermal electric
14 generating facility that begins construction on or after July
15 1, 2007 and that may include an associated renewable energy
16 storage facility;

17 (b) a solar photovoltaic electric
18 generating facility that begins construction on or after July
19 1, 2009 and that may include an associated renewable energy
20 storage facility;

21 (c) a geothermal electric generating
22 facility that begins construction on or after July 1, 2009;

23 (d) a recycled energy project if that
24 facility begins construction on or after July 1, 2007; or

25 (e) a new or repowered coal-based

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1 electric generating facility and an associated coal
2 gasification facility;

3 (11) "recycled energy" means energy
4 produced by a generation unit with a name-plate capacity of
5 not more than fifteen megawatts that converts the otherwise
6 lost energy from the exhaust stacks or pipes to electricity
7 without combustion of additional fossil fuel;

8 (12) "sequester" means to store, or
9 chemically convert, carbon dioxide in a manner that prevents
10 its release into the atmosphere and may include the use of
11 geologic formations and enhanced oil, coalbed methane or
12 natural gas recovery techniques;

13 (13) "solar photovoltaic electric
14 generating facility" means an electric generating facility
15 with a name-plate capacity of one megawatt or more that uses
16 solar photovoltaic energy to generate electricity; and

17 (14) "solar thermal electric generating
18 facility" means an electric generating facility with a name-
19 plate capacity of one megawatt or more that uses solar
20 thermal energy to generate electricity, including a facility
21 that captures and provides solar energy to a preexisting
22 electric generating facility using other fuels in part.

23 C. A taxpayer that holds an interest in a
24 qualified generating facility may be allocated the right to
25 claim the advanced energy combined reporting tax credit

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1 without regard to the taxpayer's relative interest in the
2 qualified generating facility if:

3 (1) the business entity making the
4 allocation provides notice of the allocation and the
5 taxpayer's interest in the qualified generating facility to
6 the department on forms prescribed by the department;

7 (2) allocations to the taxpayer and all
8 other taxpayers allocated a right to claim the advanced
9 energy tax credit shall not exceed one hundred percent of the
10 advanced energy tax credit allowed for the qualified
11 generating facility; and

12 (3) the taxpayer and all other taxpayers
13 allocated a right to claim the advanced energy tax credits
14 collectively own at least a five percent interest in the
15 qualified generating facility.

16 D. Upon receipt of the notice of an allocation of
17 the right to claim all or a portion of the advanced energy
18 combined reporting tax credit, the department shall verify
19 the allocation due to the recipient.

20 E. Subject to the limit imposed in Subsection [~~K~~]
21 J of this section, the advanced energy combined reporting tax
22 credit with respect to a qualified generating facility shall
23 equal six percent of the eligible generation plant costs of
24 the qualified generating facility. Taxpayers eligible to
25 claim an advanced energy combined reporting tax credit

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1 holding less than one hundred percent of the interest in the
2 qualified generating facility shall designate an individual
3 to report annually to the department. That designated
4 individual shall report the eligible generation plant costs
5 incurred during the calendar year and the relative interest
6 of those costs attributed to each eligible interest holder.
7 The taxpayers shall submit a copy of the relative interests
8 attributed to each interest holder to the department, and any
9 change to the apportioned interests shall be submitted to the
10 department. The designated person and the department may
11 identify a mutually acceptable reporting schedule.

12 F. A taxpayer may apply for the advanced energy
13 combined reporting tax credit by submitting to the taxation
14 and revenue department a certificate issued by the department
15 of environment pursuant to Subsection K of this section,
16 documentation showing the taxpayer's interest in the
17 qualified generating facility identified in the certificate,
18 documentation of all eligible generation plant costs incurred
19 by the taxpayer prior to the date of the application by the
20 taxpayer for the advanced energy combined reporting tax
21 credit and any other information the taxation and revenue
22 department requests to determine the amount of tax credit due
23 to the taxpayer.

24 G. A taxpayer having applied for and been granted
25 approval to claim an advanced energy combined reporting tax

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1 credit by the department pursuant to this section may claim
2 an amount of available credit against the taxpayer's gross
3 receipts tax, compensating tax or withholding tax due to the
4 state. Any balance of the advanced energy combined reporting
5 tax credit that the taxpayer is approved to claim after
6 applying that tax credit against the taxpayer's gross
7 receipts tax, compensating tax or withholding tax liabilities
8 may be claimed by the taxpayer against the taxpayer's tax
9 liability pursuant to the Income Tax Act by claiming an
10 advanced energy income tax credit or against the taxpayer's
11 tax liability pursuant to the Corporate Income and Franchise
12 Tax Act by claiming an advanced energy corporate income tax
13 credit. The advanced energy combined reporting tax credit is
14 not refundable. The total amount of tax credit claimed
15 pursuant to this section, when combined with the advanced
16 energy tax credits claimed pursuant to the Income Tax Act and
17 the Corporate Income and Franchise Tax Act, shall not exceed
18 the total amount of advanced energy tax credits approved by
19 the department for the qualified generating facility.

20 H. A taxpayer that is liable for the payment of
21 gross receipts or compensating tax with respect to the
22 ownership, development, construction, maintenance or
23 operation of a new coal-based electric generating facility
24 that does not meet the criteria for a qualified generating
25 facility and that begins construction after January 1, 2007

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1 shall not claim an advanced energy tax combined reporting
2 credit pursuant to this section or a gross receipts tax
3 credit, a compensating tax credit or a withholding tax credit
4 pursuant to any other state law.

5 I. If the amount of the advanced energy tax
6 credit approved by the department exceeds the taxpayer's
7 liability, the excess may be carried forward for up to ten
8 years.

9 J. The aggregate amount of advanced energy tax
10 credit that may be claimed with respect to each qualified
11 generating facility shall not exceed sixty million dollars
12 (\$60,000,000).

13 K. An entity that holds an interest in a
14 qualified generating facility may request a certificate of
15 eligibility from the department of environment to enable the
16 requester to apply for the advanced energy combined reporting
17 tax credit. The department of environment:

18 (1) shall determine if the facility is a
19 qualified generating facility;

20 (2) shall require that the requester
21 provide the department of environment with the information
22 necessary to assess whether the requester's facility meets
23 the criteria to be a qualified generating facility;

24 (3) shall issue a certificate to the
25 requester stating that the facility is or is not a qualified

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1 generating facility within one hundred eighty days after
2 receiving all information necessary to make a determination;

3 (4) shall:

4 (a) issue rules governing the
5 procedure for administering the provisions of this subsection
6 and Subsection L of this section and for providing
7 certificates of eligibility for advanced energy tax credits;

8 (b) issue a schedule of fees in which
9 no fee exceeds one hundred fifty thousand dollars (\$150,000);
10 and

11 (c) deposit fees collected pursuant to
12 this paragraph in the state air quality permit fund created
13 pursuant to Section 74-2-15 NMSA 1978; and

14 (5) shall report annually to the
15 appropriate interim legislative committee information that
16 will allow the legislative committee to analyze the
17 effectiveness of the advanced energy tax credits, including
18 the identity of qualified generating facilities, the energy
19 production means used, the amount of emissions identified in
20 this section reduced and removed by those qualified
21 generating facilities and whether any requests for
22 certificates of eligibility could not be approved due to
23 program limits.

24 L. If the department of environment issues a
25 certificate of eligibility to a taxpayer stating that the

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1 taxpayer holds an interest in a qualified generating facility
2 and the taxpayer does not sequester or control carbon dioxide
3 emissions to the extent required by this section by the later
4 of January 1, 2017 or eighteen months after the commercial
5 operation date of the qualified generating facility, the
6 taxpayer's certification as a qualified generating facility
7 shall be revoked by the department of environment and the
8 taxpayer shall repay to the state tax credits granted pursuant
9 to this section; provided that if the taxpayer demonstrates to
10 the department of environment that the taxpayer made every
11 effort to sequester or control carbon dioxide emissions to the
12 extent feasible and the facility's inability to meet the
13 sequestration requirements of a qualified generating facility
14 was beyond the facility's control, in which case the
15 department of environment shall determine, after a public
16 hearing, the amount of the tax credit that should be repaid to
17 the state. The department of environment, in its
18 determination, shall consider the environmental performance of
19 the facility and the extent to which the inability to meet the
20 sequestration requirements of a qualified generating facility
21 was in the control of the taxpayer. The repayment as
22 determined by the department of environment shall be paid
23 within one hundred eighty days following a final order by the
24 department of environment.

25 M. Expenditures for which a taxpayer claims an

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1 advanced energy combined reporting tax credit pursuant to this
2 section are ineligible for credits pursuant to the provisions
3 of the Investment Credit Act or any other credit against
4 personal income tax, corporate income tax, compensating tax,
5 gross receipts tax or withholding tax.

6 N. A taxpayer shall apply for approval for a
7 credit within one year following the end of the calendar year
8 in which the eligible generation plant costs are incurred."

9 SECTION 57. Section 7-19-14 NMSA 1978 (being Laws
10 1979, Chapter 397, Section 5, as amended) is amended to read:

11 "7-19-14. SPECIFIC EXEMPTIONS.--No supplemental
12 municipal gross receipts tax shall be imposed on the gross
13 receipts arising from

14 ~~[A. transporting persons or property for hire by~~
15 ~~railroad, motor vehicle, air transportation or any other~~
16 ~~means from one point within the municipality to another point~~
17 ~~outside the municipality; or~~

18 ~~B.]~~ a business located outside the boundaries of a
19 municipality on land owned by that municipality for which a
20 gross receipts tax distribution is made pursuant to Section
21 7-1-6.4 NMSA 1978."

22 SECTION 58. Section 7-19-15 NMSA 1978 (being Laws
23 1979, Chapter 397, Section 6, as amended) is amended to read:

24 "7-19-15. COLLECTION BY DEPARTMENT--TRANSFER OF
25 PROCEEDS [~~DEDUCTIONS~~].--

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1 A. The department shall collect the supplemental
2 municipal gross receipts tax in the same manner and at the
3 same time it collects the state gross receipts tax.

4 B. ~~[The department shall withhold an~~
5 ~~administrative fee pursuant to Section 1 of this 1997 act.~~
6 ~~The department shall transfer to each municipality for which~~
7 ~~it is collecting a supplemental municipal gross receipts tax~~
8 ~~the amount of the tax collected less the administrative fee~~
9 ~~withheld and less any disbursements for tax credits, refunds~~
10 ~~and the payment of interest applicable to the supplemental~~
11 ~~municipal gross receipts tax.]~~ Transfer of the tax to a
12 municipality shall be made pursuant to Section 7-1-6.12 NMSA
13 1978 within the month following the month in which the tax is
14 collected."

15 SECTION 59. Section 7-19D-1 NMSA 1978 (being Laws
16 1993, Chapter 346, Section 1) is amended to read:

17 "7-19D-1. SHORT TITLE.--Chapter 7, Article 19D NMSA
18 1978 may be cited as the "Municipal Local Option Gross
19 Receipts [~~Taxes~~] and Compensating Tax Act"."

20 SECTION 60. Section 7-19D-5 NMSA 1978 (being Laws
21 1993, Chapter 346, Section 5, as amended) is amended to read:

22 "7-19D-5. SPECIFIC EXEMPTIONS.--No tax authorized by
23 the provisions of the Municipal Local Option Gross Receipts
24 [~~Taxes~~] and Compensating Tax Act shall be imposed on the
25 gross receipts arising from

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1 ~~[A. transporting persons or property for hire by~~
2 ~~railroad, motor vehicle, air transportation or any other~~
3 ~~means from one point within the municipality to another point~~
4 ~~outside the municipality; or~~

5 B.] a business located outside the boundaries of a
6 municipality on land owned by that municipality for which a
7 state gross receipts tax distribution is made pursuant to
8 Section 7-1-6.4 NMSA 1978."

9 SECTION 61. Section 7-19D-7 NMSA 1978 (being Laws
10 1993, Chapter 346, Section 7, as amended) is amended to read:

11 "7-19D-7. COLLECTION BY DEPARTMENT--TRANSFER OF
12 PROCEEDS--DEDUCTIONS.--

13 A. The department shall collect each tax imposed
14 pursuant to the provisions of the Municipal Local Option
15 Gross Receipts ~~[Taxes]~~ and Compensating Tax Act in the same
16 manner and at the same time it collects the state gross
17 receipts tax.

18 B. ~~[Except as provided in Subsection C of this~~
19 ~~section, the department shall withhold an administrative fee~~
20 ~~pursuant to Section 1 of this 1997 act. The department shall~~
21 ~~transfer to each municipality for which it is collecting a~~
22 ~~tax pursuant to the provisions of the Municipal Local Option~~
23 ~~Gross Receipts Taxes Act the amount of each tax collected for~~
24 ~~that municipality, less the administrative fee withheld and~~
25 ~~less any disbursements for tax credits, refunds and the~~

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1 ~~payment of interest applicable to the tax.]~~ The transfer to
2 the municipality shall be made pursuant to Section 7-1-6.12
3 NMSA 1978, except as provided in Subsection C of this
4 section, within the month following the month in which the
5 tax is collected.

6 C. With respect to the municipal gross receipts
7 tax imposed by a municipality pursuant to Section 7-19D-9
8 NMSA 1978, the department shall withhold the administrative
9 fee pursuant to Section [~~1 of this 1997 act~~] 7-1-6.41 NMSA
10 1978 only on that portion of the net receipts from municipal
11 gross receipts tax arising from a municipal gross receipts
12 tax rate in excess of one-half of one percent."

13 SECTION 62. Section 7-19D-9 NMSA 1978 (being Laws
14 1978, Chapter 151, Section 1, as amended) is amended to read:

15 "7-19D-9. MUNICIPAL GROSS RECEIPTS TAX--AUTHORITY TO
16 IMPOSE RATE.--

17 A. Except as provided in Subsection K of this
18 section, the majority of the members of the governing body of
19 any municipality may impose by ordinance an excise tax not to
20 exceed a rate of [~~one and one-half~~] two and six hundred
21 twenty-five thousandths percent of the gross receipts of any
22 person engaging in business in the municipality for the
23 privilege of engaging in business in the municipality. A tax
24 imposed pursuant to this [~~section~~] subsection shall be
25 imposed by the enactment of one or more ordinances [~~each~~

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1 ~~imposing any number of municipal gross receipts tax rate~~
2 ~~increments, but the total municipal gross receipts tax rate~~
3 ~~imposed by all ordinances shall not exceed an aggregate rate~~
4 ~~of one and one-half percent of the gross receipts of a person~~
5 ~~engaging in business].~~ Municipalities may impose increments
6 of [~~one-eighth of one~~] one-sixteenth percent or any multiple
7 thereof.

8 B. In addition to any rate of municipal gross
9 receipts tax imposed pursuant to Subsection A of this
10 section, each municipality incorporated on January 1, 2018 is
11 deemed to have imposed by ordinance, effective July 1, 2019,
12 an additional rate of nine hundred eighty thousandths percent
13 of the gross receipts of any person engaging in business in
14 the municipality. The revenue from the additional rate
15 imposed pursuant to this subsection is dedicated to the
16 payment of any outstanding bonds issued by the municipality
17 to the extent that the municipality by ordinance pledged the
18 revenues received from the distribution pursuant to Section
19 7-1-6.4 NMSA 1978 to the repayment of such bonds, until such
20 time as the bonds are discharged in full or provision has
21 been fully made therefor. If a municipality by ordinance
22 dedicates any portion of the revenues received from the
23 distribution pursuant to Section 7-1-6.4 NMSA 1978 to a
24 purpose other than repayment of bonds, the revenues from the
25 rate of tax deemed imposed by this subsection are subject to

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1 such dedication but the municipality may change the
2 dedication at any time. If no bonds are outstanding and no
3 ordinance has dedicated these revenues to any other purposes,
4 the revenues are for general purposes. A municipality
5 incorporating after January 1, 2019 shall impose pursuant to
6 this subsection, by ordinance and without referendum, a rate
7 of municipal gross receipts tax of one and two hundred
8 twenty-five thousandths percent of the gross receipts of any
9 person engaging in business in the municipality for the
10 privilege of engaging in business in the municipality.

11 [B.] C. The tax imposed pursuant to Subsection A
12 of this section may be referred to as the "municipal gross
13 receipts tax". The aggregate rate imposed pursuant to
14 Subsections A and B of this section shall not exceed three
15 and six hundred five thousandths percent.

16 [C.] D. The governing body of a municipality may,
17 at the time of enacting an ordinance imposing the tax
18 authorized in Subsection A of this section, dedicate the
19 revenue for a specific purpose or area of municipal
20 government services [~~including but not limited to police~~
21 ~~protection, fire protection, public transportation or street~~
22 ~~repair and maintenance~~]. If the governing body proposes to
23 dedicate such revenue, the ordinance and, if any election is
24 held, the ballot shall clearly state the purpose to which the
25 revenue will be dedicated, and any revenue so dedicated shall

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1 be used by the municipality for that purpose unless a
2 subsequent ordinance is adopted to change the purpose to
3 which dedicated or to place the revenue in the general fund
4 of the municipality. If revenue is pledged to the retirement
5 of debt, the dedication shall not be changed unless the debt
6 has been discharged in full or provision has been fully made
7 therefor.

8 [D.] E. An election shall be called on the
9 questions of disapproval or approval of any ordinance enacted
10 pursuant to Subsection A of this section or any ordinance
11 amending such ordinance:

12 (1) if the governing body chooses to
13 provide in the ordinance that it shall not be effective until
14 the ordinance is approved by the majority of the registered
15 voters voting on the question at an election to be held
16 pursuant to the provisions of a [~~home-rule~~] home rule charter
17 or on a date set by the governing body and pursuant to the
18 provisions of the Municipal Election Code governing special
19 elections; or

20 (2) if the ordinance does not contain a
21 mandatory election provision as provided in Paragraph (1) of
22 this subsection, upon the filing of a petition requesting
23 such an election if the petition is filed:

24 (a) pursuant to the requirements of a
25 referendum provision contained in a municipal [~~home-rule~~]

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1 home rule charter and signed by the number of registered
2 voters in the municipality equal to the number of registered
3 voters required in its charter to seek a referendum; or

4 (b) in all other municipalities, with
5 the municipal clerk within thirty days after the adoption of
6 such ordinance and the petition has been signed by a number
7 of registered voters in the municipality equal to at least
8 five percent of the number of the voters in the municipality
9 who were registered to vote in the most recent regular
10 municipal election.

11 ~~[E.]~~ F. The signatures on the petition filed in
12 accordance with Subsection ~~[D]~~ E of this section shall be
13 verified by the municipal clerk. If the petition is verified
14 by the municipal clerk as containing the required number of
15 signatures of registered voters, the governing body shall
16 adopt an election resolution calling for the holding of a
17 special election on the question of approving or disapproving
18 the ordinance unless the ordinance is repealed before the
19 adoption of the election resolution. An election held
20 pursuant to Subparagraph (a) or (b) of Paragraph (2) of
21 Subsection ~~[D]~~ E of this section shall be called, conducted
22 and canvassed as provided in the Municipal Election Code for
23 special elections, and the election shall be held within
24 seventy-five days after the date the petition is verified by
25 the municipal clerk or it may be held in conjunction with a

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1 regular municipal election if such election occurs within
2 seventy-five days after the date of verification by the
3 municipal clerk.

4 ~~[F.]~~ G. If at an election called pursuant to
5 Subsection ~~[D]~~ E of this section a majority of the registered
6 voters voting on the question approves the ordinance imposing
7 the tax, the ordinance shall become effective in accordance
8 with the provisions of the Municipal Local Option Gross
9 Receipts ~~[Taxes]~~ and Compensating Tax Act. If at such an
10 election a majority of the registered voters voting on the
11 question disapproves the ordinance, the ordinance imposing
12 the tax shall be deemed repealed and the question of imposing
13 any increment of the municipal gross receipts tax authorized
14 in this section shall not be considered again by the
15 governing body for a period of one year from the date of the
16 election.

17 ~~[G.]~~ H. Any municipality that has lawfully
18 imposed by the requirements of the Special Municipal Gross
19 Receipts Tax Act a rate of at least one-fourth of one percent
20 shall be deemed to have imposed one-fourth of one percent
21 municipal gross receipts tax pursuant to this section. Any
22 rate of tax deemed to be imposed pursuant to this subsection
23 shall continue to be dedicated to the payment of outstanding
24 bonds issued by the municipality that pledged the tax
25 revenues by ordinance until such time as the bonds are fully

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1 paid. A municipality may by ordinance change the purpose for
2 any rate of tax deemed to be imposed at any time the revenues
3 are not committed to payment of bonds.

4 [H.] I. Any law that imposes or authorizes the
5 imposition of a municipal gross receipts tax or that affects
6 the municipal gross receipts tax, or any law supplemental
7 thereto or otherwise appertaining thereto, shall not be
8 repealed or amended or otherwise directly or indirectly
9 modified in such a manner as to impair adversely any
10 outstanding revenue bonds that may be secured by a pledge of
11 such municipal gross receipts tax unless such outstanding
12 revenue bonds have been discharged in full or provision has
13 been fully made therefor.

14 J. A rate of municipal gross receipts tax
15 initially imposed pursuant to Subsection A of Section
16 7-19D-10 NMSA 1978 or Section 7-19D-11 or 7-19D-12 NMSA 1978,
17 as that subsection or those sections were in effect
18 immediately prior to the effective date of this section, is
19 deemed to be an imposition of an increment of municipal gross
20 receipts tax pursuant to this section on the effective date
21 of this section. If revenue from one of those taxes is
22 dedicated to a purpose or purposes at that time, the revenue
23 remains dedicated to the purpose or purposes until the
24 municipality by ordinance changes the dedication or places
25 the revenue in the general fund of the municipality; provided

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1 that a dedication to repay principal and interest of
2 indebtedness of the municipality may not be changed unless
3 such outstanding indebtedness has been discharged in full or
4 provision has been fully made therefor.

5 K. On and after January 1, 2019, for so long as
6 the municipality has in effect an ordinance imposing a
7 municipal environmental services gross receipts tax pursuant
8 to that version of Section 7-19D-10 NMSA 1978 amended by this
9 2018 act, the maximum rate of municipal gross receipts tax
10 that the municipality may impose pursuant to this section is
11 a rate equal to the difference between the aggregate rate
12 specified in Subsection A of this section and the rate
13 imposed pursuant to Section 7-19D-10 NMSA 1978."

14 SECTION 63. A new Section 7-19D-9.1 NMSA 1978 is
15 enacted to read:

16 "7-19D-9.1. [NEW MATERIAL] MUNICIPAL COMPENSATING
17 TAX.--

18 A. For the privilege of using tangible property,
19 a license, a franchise or a service, there is imposed on the
20 person using the property, license, franchise or service in
21 the municipality an excise tax on the person using the
22 tangible personal property, license, franchise or service in
23 the municipality on the value of the tangible personal
24 property, license, franchise or service at a rate equal to
25 the combined rates imposed and in effect pursuant to the

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1 Supplemental Municipal Gross Receipts Tax Act and the
2 Municipal Local Option Gross Receipts and Compensating Tax
3 Act. This tax is deemed to be imposed by the municipality
4 for purposes of the Tax Administration Act.

5 B. For use of tangible property, a license, a
6 franchise or a service to be taxable pursuant to Subsection A
7 of this section, the use must be subject to the compensating
8 tax pursuant to Section 7-9-7 NMSA 1978 and the value of the
9 use will be that determined for the purposes of Section 7-9-7
10 NMSA 1978.

11 C. The tax imposed by this section may be cited
12 as the "municipal compensating tax".

13 D. The governing body of a municipality may
14 dedicate by ordinance the revenue from the tax imposed
15 pursuant to this section for any municipal purpose. If the
16 governing body proposes to dedicate revenue for a specific
17 purpose, the dedicated revenue shall be used for the purpose
18 unless a subsequent ordinance is adopted to change the
19 purpose to which the revenue is dedicated or to place the
20 revenue in the general fund of the municipality.

21 E. Any law that affects the municipal
22 compensating tax, or any law supplemental or otherwise
23 appertaining thereto, shall not be repealed or amended or
24 otherwise directly or indirectly modified in such a manner as
25 to impair adversely any outstanding revenue bonds that may be

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1 secured by a pledge of municipal compensating tax unless such
2 outstanding revenue bonds have been discharged in full or
3 provision has been made fully therefor."

4 SECTION 64. Section 7-19D-10 NMSA 1978 (being Laws
5 1990, Chapter 99, Section 51, as amended) is amended to read:

6 "7-19D-10. MUNICIPAL ENVIRONMENTAL SERVICES GROSS
7 RECEIPTS TAX--AUTHORITY TO IMPOSE--ORDINANCE REQUIREMENTS.--

8 ~~[A. Except as otherwise provided in this section,~~
9 ~~the majority of the members of the governing body of a~~
10 ~~municipality may enact an ordinance imposing an excise tax on~~
11 ~~any person engaging in business in the municipality for the~~
12 ~~privilege of engaging in business. The rate of the tax shall~~
13 ~~be one sixteenth of one percent of the gross receipts of the~~
14 ~~person engaging in business.~~

15 B.] A. The tax imposed in accordance with
16 Subsection [A] C of this section may be referred to as the
17 "municipal environmental services gross receipts tax". The
18 imposition of a municipal environmental services gross
19 receipts tax is not subject to referendum.

20 ~~[C.]~~ B. The governing body of a municipality
21 shall, at the time of enacting an ordinance imposing the rate
22 of the tax authorized in Subsection [A] C of this section,
23 dedicate the revenue for acquisition, construction, operation
24 and maintenance of solid waste facilities, water facilities,
25 wastewater facilities, sewer systems and related facilities.

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1 ~~[D.]~~ C. The governing body of a municipality in a
2 class B county with a net taxable value used for rate-setting
3 purposes for the 2008 property tax year of greater than seven
4 hundred fifty million dollars (\$750,000,000) and a population
5 in the entire county according to the most recent federal
6 decennial census of less than twenty-five thousand may enact
7 an ordinance imposing an excise tax on any person engaging in
8 business in the municipality for the privilege of engaging in
9 business; provided that:

10 (1) the rate of the tax imposed shall not
11 exceed one-half of one percent of the gross receipts of the
12 person engaging in business;

13 (2) the tax is imposed in one-fourth of one
14 percent increments; and

15 (3) the population of the municipality
16 imposing the municipal environmental services gross receipts
17 tax according to the most recent federal decennial census is:

18 (a) more than seven thousand five
19 hundred but less than seven thousand eight hundred; or

20 (b) more than one thousand five
21 hundred but less than two thousand."

22 SECTION 65. Section 7-20C-6 NMSA 1978 (being Laws
23 1991, Chapter 176, Section 6, as amended) is amended to read:

24 "7-20C-6. COLLECTION BY DEPARTMENT--TRANSFER OF
25 PROCEEDS [~~DEDUCTIONS~~].--

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1 A. The department shall collect the local
2 hospital gross receipts tax in the same manner and at the
3 same time it collects the state gross receipts tax.

4 B. ~~[The department shall withhold an~~
5 ~~administrative fee pursuant to Section 7-1-6.41 NMSA 1978.~~
6 ~~The department shall transfer to each county for which it is~~
7 ~~collecting such tax the amount of the tax collected less the~~
8 ~~administrative fee withheld and less any disbursements for~~
9 ~~tax credits, refunds and the payment of interest applicable~~
10 ~~to the tax.]~~ Transfer of the tax to a county shall be made
11 pursuant to Section 7-1-6.13 NMSA 1978 within the month
12 following the month in which the tax is collected."

13 SECTION 66. Section 7-20E-1 NMSA 1978 (being Laws
14 1993, Chapter 354, Section 1) is amended to read:

15 "7-20E-1. SHORT TITLE.--Chapter 7, Article 20E NMSA
16 1978 may be cited as the "County Local Option Gross Receipts
17 [~~Taxes~~] and Compensating Tax Act"."

18 SECTION 67. Section 7-20E-7 NMSA 1978 (being Laws
19 1993, Chapter 354, Section 7, as amended) is amended to read:

20 "7-20E-7. COLLECTION BY DEPARTMENT--TRANSFER OF
21 PROCEEDS [~~DEDUCTIONS~~].--

22 A. The department shall collect each tax imposed
23 pursuant to the provisions of the County Local Option Gross
24 Receipts [~~Taxes~~] and Compensating Tax Act in the same manner
25 and at the same time it collects the state gross receipts

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1 tax.

2 B. ~~[The department shall withhold an~~
3 ~~administrative fee pursuant to Section 7-1-6.41 NMSA 1978.~~
4 ~~The department shall transfer to each county for which it is~~
5 ~~collecting a tax pursuant to the provisions of the County~~
6 ~~Local Option Gross Receipts Taxes Act the amount of each tax~~
7 ~~collected for that county, less the administrative fee~~
8 ~~withheld and less any disbursements for tax credits, refunds~~
9 ~~and the payment of interest applicable to the tax.] The~~
10 transfer to the county shall be made pursuant to Section
11 7-1-6.13 NMSA 1978 within the month following the month in
12 which the tax is collected."

13 SECTION 68. A new Section 7-20E-9.1 NMSA 1978 is
14 enacted to read:

15 "7-20E-9.1. [NEW MATERIAL] COUNTY COMPENSATING TAX.--

16 A. For the privilege of using tangible property,
17 a license, a franchise or a service, there is imposed on the
18 person using the property, license, franchise or service in
19 the county an excise tax on the person using the tangible
20 personal property, license, franchise or service in the
21 county on the value of the tangible personal property,
22 license, franchise or service at a rate equal to the combined
23 rates imposed and in effect pursuant to the Local Hospital
24 Gross Receipts Tax Act, the County Local Option Gross
25 Receipts and Compensating Tax Act and the County Correctional

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1 Facility Gross Receipts Tax Act in the county area if the use
2 is in the county area or if not in the county area, then at
3 the rate in effect county-wide. This tax is deemed to be
4 imposed by the county for purposes of the Tax Administration
5 Act.

6 B. For use of tangible property, a license, a
7 franchise or a service to be taxable pursuant to Subsection A
8 of this section, the use shall be subject to the compensating
9 tax pursuant to Section 7-9-7 NMSA 1978 and the value of the
10 use shall be that determined for the purposes of Section
11 7-9-7 NMSA 1978.

12 C. The tax imposed by this section may be cited
13 as the "county compensating tax".

14 D. The governing body of a county may dedicate by
15 ordinance the revenue from the tax imposed pursuant to this
16 section for any county purpose. If the governing body
17 proposes to dedicate revenue for a specific purpose, the
18 dedicated revenue shall be used for the purpose unless a
19 subsequent ordinance is adopted to change the purpose to
20 which the revenue is dedicated or to place the revenue in the
21 general fund of the county.

22 E. Any law that affects the county compensating
23 tax, or any law supplemental or otherwise appertaining
24 thereto, shall not be repealed or amended or otherwise
25 directly or indirectly modified in such a manner as to impair

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1 adversely any outstanding revenue bonds that may be secured
2 by a pledge of county compensating tax unless such
3 outstanding revenue bonds have been discharged in full or
4 provision has been made fully therefor."

5 SECTION 69. Section 7-20F-5 NMSA 1978 (being Laws
6 1993, Chapter 303, Section 5) is amended to read:

7 "7-20F-5. COLLECTION BY DEPARTMENT--TRANSFER OF
8 PROCEEDS [~~DEDUCTIONS~~].--

9 A. The department shall collect the county
10 correctional facility gross receipts tax in the same manner
11 and at the same time it collects the state gross receipts
12 tax.

13 B. [~~The department shall remit to each county for
14 which it is collecting a county correctional facility gross
15 receipts tax the amount of the tax collected, less any
16 disbursement for tax credits, refunds and the payment of
17 interest applicable to the county correctional facility gross
18 receipts tax.~~] Transfer of the tax to a county shall be made
19 pursuant to Section 7-1-6.13 NMSA 1978 within the month
20 following the month in which the tax is collected."

21 SECTION 70. Section 7-24-16 NMSA 1978 (being Laws
22 1989, Chapter 326, Section 9) is amended to read:

23 "7-24-16. INTERPRETATION OF ACT--ADMINISTRATION AND
24 ENFORCEMENT OF THE TAX.--

25 A. The department shall interpret the provisions

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1 of the Local Liquor Excise Tax Act.

2 B. The department shall administer and enforce
3 the Local Liquor Excise Tax Act, and the Tax Administration
4 Act applies to the collection and enforcement of the local
5 liquor excise tax. Transfer of the tax to a county shall be
6 made within the month following the month in which the tax is
7 collected."

8 SECTION 71. TEMPORARY PROVISION--REFERENCES IN LAW.--

9 A. References in law to the Municipal Local
10 Option Gross Receipts Taxes Act shall be deemed to be
11 references to the Municipal Local Option Gross Receipts and
12 Compensating Tax Act.

13 B. References in law to the County Local Option
14 Gross Receipts Taxes Act shall be deemed to be references to
15 the County Local Option Gross Receipts and Compensating Tax
16 Act.

17 SECTION 72. TEMPORARY PROVISION--OUTSTANDING REVENUE
18 BONDS AND OTHER OBLIGATIONS.--

19 A. The repeal of the distributions made by
20 Section 76 of this act shall not impair outstanding bonds
21 that are secured by a pledge of those distributions or other
22 obligations for which payment is measured by the receipt of
23 those distributions.

24 B. If a municipality or county has issued a
25 revenue bond or other obligation that is secured by a pledge

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1 of or for which payment is measured by receipt of the
2 distributions being repealed by Section 76 of this act, the
3 municipality or county is impressed with the obligation to
4 repay the outstanding bond or obligation with the local
5 option gross receipts tax revenue the municipality or county
6 receives and such revenue is dedicated to that repayment
7 until the bond or obligation is fully discharged, satisfied
8 or otherwise provided for in full.

9 SECTION 73. REPEAL.--

10 A. Sections 7-1-6.52, 7-1-6.57 and 7-1-6.60 NMSA
11 1978 (being Laws 2005, Chapter 104, Section 1, Laws 2007,
12 Chapter 361, Section 1 and Laws 2010, Chapter 31, Section 2)
13 are repealed.

14 B. Sections 7-2D-1 through 7-2D-14 NMSA 1978
15 (being Laws 1993, Chapter 313, Sections 1, 2 and 4 through 8,
16 Laws 1995, Chapter 89, Section 8 and Laws 1993, Chapter 313,
17 Sections 9 through 14, as amended) are repealed.

18 C. Sections 7-9-13.4, 7-9-16, 7-9-74, 7-9-95,
19 7-9-96, 7-9-97, 7-9-99 through 7-9-103.2, 7-9-105 through
20 7-9-107 and 7-9-114 NMSA 1978 (being Laws 2002, Chapter 20,
21 Section 1; Laws 1969, Chapter 144, Section 9; Laws 1971,
22 Chapter 217, Section 2; Laws 2005, Chapter 104, Sections 25
23 and 26; Laws 2005, Chapter 169, Section 1; Laws 2006, Chapter
24 35, Sections 1 and 2; Laws 2007, Chapter 3, Sections 16
25 through 18; Laws 2012, Chapter 12, Sections 2 and 3; Laws

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1 2007, Chapter 45, Section 6; Laws 2007, Chapter 172, Sections
2 8 and 9; and Laws 2010, Chapter 77, Section 1 and Laws 2010,
3 Chapter 78, Section 1, as amended) are repealed.

4 D. Section 7-19D-14 NMSA 1978 (being Laws 2005,
5 Chapter 212, Section 2) is repealed.

6 E. Section 7-20E-27 NMSA 1978 (being Laws 2010,
7 Chapter 31, Section 1) is repealed.

8 **SECTION 74. DELAYED REPEAL.--**

9 A. Sections 7-2-5.9, 7-2-7.2, 7-2-7.3, 7-2-18.5,
10 7-2-18.8, 7-2-18.14, 7-2-18.19, 7-2-18.21, 7-2-18.23,
11 7-2-18.25 and 7-2-18.27 NMSA 1978 (being Laws 2005, Chapter
12 104, Section 6, Laws 2005 (1st S.S.), Chapter 3, Sections 3
13 and 4, Laws 1998, Chapter 97, Section 2, Laws 2001, Chapter
14 73, Section 1, Laws 2006, Chapter 93, Section 1, Laws 2007,
15 Chapter 204, Sections 3 and 7, Laws 2008 (2nd S.S.), Chapter
16 3, Section 1, Laws 2009, Chapter 279, Section 1 and Laws
17 2011, Chapter 89, Section 1, as amended) are repealed
18 effective January 1, 2019.

19 B. Sections 7-2A-8.8, 7-2A-18, 7-2A-21, 7-2A-23
20 and 7-2A-25 NMSA 1978 (being Laws 1998, Chapter 97, Section
21 3, Laws 2001, Chapter 73, Section 2, Laws 2007, Chapter 204,
22 Sections 4 and 8 and Laws 2009, Chapter 279, Section 2, as
23 amended) are repealed effective January 1, 2019.

24 **SECTION 75. DELAYED REPEAL.--**

25 A. Sections 7-9-13.1, 7-9-54.1 and 7-9-57 NMSA

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1 1978 (being Laws 1989, Chapter 262, Section 4, Laws 1992,
2 Chapter 40, Section 1 and Laws 1969, Chapter 144, Section 47,
3 as amended) are repealed effective January 1, 2019.

4 B. Sections 7-19D-11 and 7-19D-12 NMSA 1978
5 (being Laws 1991, Chapter 9, Section 3 and Laws 2001, Chapter
6 172, Section 1, as amended) are repealed effective January 1,
7 2019.

8 C. Sections 7-20C-5, 7-20E-5 and 7-20F-6 NMSA
9 1978 (being Laws 1991, Chapter 176, Section 5, Laws 1993,
10 Chapter 354, Section 5 and Laws 1993, Chapter 303, Section 6,
11 as amended) are repealed effective January 1, 2019.

12 D. Section 7-1-6.55 NMSA 1978 (being Laws 2007,
13 Chapter 331, Section 4) is repealed effective April 1, 2019.

14 SECTION 76. DELAYED REPEAL.--Sections 7-1-6.46 and
15 7-1-6.47 NMSA 1978 (being Laws 2004, Chapter 116, Sections 1
16 and 2, as amended) are repealed effective February 1, 2019.

17 SECTION 77. APPLICABILITY.--

18 A. The provisions of Section 16 of this act apply
19 to claims for refund submitted on or after the effective date
20 of that section.

21 B. The provisions of Sections 18 through 20 and
22 75 of this act apply to taxable years beginning on or after
23 January 1, 2019.

24 C. The provisions of Section 76 of this act apply
25 to gross receipts tax reporting periods beginning on or after

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1 February 1, 2019.

2 SECTION 78. EFFECTIVE DATE.--

3 A. The effective date of the provisions of
4 Sections 1 through 4, 8, 10 through 14, 16, 17, 21 through
5 25, 27, 28, 31, 33, 34, 39, 44 through 46, 70, 71 and 73 of
6 this act is July 1, 2018.

7 B. The effective date of the provisions of
8 Sections 5 through 7, 9, 15, 18 through 20, 26, 29, 30, 32,
9 35 through 38, 40 through 43, 47 through 69 and 72 of this
10 act is January 1, 2019.