

HOUSE BILL 238

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

INTRODUCED BY

Carl Trujillo

AN ACT

RELATING TO TAXATION; PROVIDING A LIMITED-PERIOD DEDUCTION FROM GROSS RECEIPTS FOR OUTDOOR WATER CONSERVATION PRODUCTS; DECLARING AN EMERGENCY.

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

SECTION 1. A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--SALES OF WATER-~~SAVING~~ TANGIBLE PERSONAL PROPERTY--LIMITED PERIOD.--

A. Receipts from the sale at retail of water-saving tangible personal property may be deducted from gross receipts if the sale occurs during the period beginning at midnight on March 1 and ending at midnight on March 8.

B. The purpose of the deduction provided by this section is to mitigate the effects of drought in New Mexico by

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1 creating an incentive for private property owners to reduce
2 their outdoor water consumption through the use of products
3 designed to decrease water waste.

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

7 D. The department shall compile an annual report on
8 the deduction provided by this section that includes the number
9 of taxpayers that claimed the deduction, the aggregate amount
10 of deductions claimed and any other information necessary to
11 evaluate the effectiveness of the deduction. Beginning in
12 2019, the department shall compile and present the report to
13 the revenue stabilization and tax policy committee and the
14 legislative finance committee with an analysis of the cost and
15 benefit to the state of the deduction.

16 E. For the purposes of this section, "water-saving
17 tangible personal property":

18 (1) means products:

19 (a) intended for use on private, shared
20 or communal property and not intended for business use, trade
21 or resale; and

22 (b) whose use or planting in outdoor
23 residential properties may result in: 1) water
24 conservation or ground water retention; 2) water table
25 recharge; or 3) a decrease in ambient air temperature that

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- 1 limits water evaporation; and
- 2 (2) includes:
- 3 (a) drought-tolerant live plants, turf
- 4 and grass;
- 5 (b) soaker or drip-irrigation hosing;
- 6 (c) moisture controls for sprinkler or
- 7 irrigation systems;
- 8 (d) mulches and soils;
- 9 (e) rain barrels and alternative rain
- 10 and moisture collection systems;
- 11 (f) permeable ground cover surfaces that
- 12 allow water to reach underground basins, aquifers or water
- 13 collection points;
- 14 (g) plant and grass seeds coated with
- 15 water-saving surfactants; and
- 16 (h) water-saving surfactants."

17 SECTION 2. EFFECTIVE DATE.--

18 A. If this act takes effect on or before March 1,
19 2018, the effective date of the provisions of this act is March
20 1, 2018.

21 B. If this act takes effect after March 1, 2018,
22 the effective date of the provisions of this act is July 1,
23 2018.

24 SECTION 3. EMERGENCY.--It is necessary for the public
25 peace, health and safety that this act take effect immediately.

