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HOUSE BILL 106

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

PAULINE K. GUBBELS

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION FOR RECEIPTS OF CERTAIN NONPROFIT ORGANIZATIONS; PROVIDING FOR REPORTING AND PAYMENT OF TAXES; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 7-1-15 NMSA 1978 (being Laws 1969, Chapter 31, Section 1, as amended) is amended to read:

"7-1-15. SECRETARY MAY SET TAX REPORTING AND PAYMENT INTERVALS. --

A. The secretary may, pursuant to regulation, allow taxpayers with an anticipated tax liability of less than two hundred dollars (\$200) a month or taxpayers who claim gross receipts deductions pursuant to Section 7-9-85 or 7-9-85.1 NMSA 1978 to report and pay taxes at intervals ~~[which]~~ that the

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1 secretary may specify. However, unless specifically permitted
2 by law, an interval shall not exceed six months, except as
3 provided in Subsection B of this section.

4 B. The secretary, pursuant to regulation, may permit
5 taxpayers who claim gross receipts deductions pursuant to
6 Sections 7-9-85 and 7-9-85.1 NMSA 1978 to report and pay gross
7 receipts and compensation tax liability annually."

8 Section 2. Section 7-9-39 NMSA 1978 (being Laws 1969,
9 Chapter 144, Section 32, as amended) is amended to read:

10 "7-9-39. EXEMPTION--GROSS RECEIPTS TAX--FEES FROM SOCIAL
11 ORGANIZATIONS.--

12 A. Exempted from the gross receipts tax are the
13 receipts from dues and registration fees of nonprofit social,
14 fraternal, political, trade, labor or professional organizations
15 and business leagues if the receipts are not eligible for
16 deduction from gross receipts pursuant to Section 7-9-85.1 NMSA
17 1978.

18 B. For the purposes of this section:

19 (1) "dues" means amounts that a member of an
20 organization pays at recurring intervals to retain membership in
21 an organization where such amounts are used for the general
22 maintenance and upkeep of the organization; and

23 (2) "registration fees" means amounts paid by
24 persons to attend a specific event sponsored by an organization
25 to defray the cost of the event."

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1 Section 3. Section 7-9-85 NMSA 1978 (being Laws 1994,
2 Chapter 43, Section 1) is amended to read:

3 "7-9-85. DEDUCTION--GROSS RECEIPTS TAX--CERTAIN
4 ORGANIZATION FUNDRAISERS. --Receipts from not more than two
5 fundraising events annually conducted by an organization that is
6 exempt from the federal income tax as an organization described
7 in Section 501(c), other than an organization described in
8 Section 501(c)(3), of the United States Internal Revenue Code of
9 1986, as amended, may be deducted from gross receipts if the
10 receipts of the organization are not eligible for deduction from
11 gross receipts pursuant to Section 7-9-85.1 NMSA 1978."

12 Section 4. A new section of the Gross Receipts and
13 Compensating Tax Act, Section 7-9-85.1 NMSA 1978, is enacted to
14 read:

15 "7-9-85.1. [NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--
16 RECEIPTS OF CERTAIN NONPROFIT ORGANIZATIONS. --

17 A. Receipts of not more than eighty thousand dollars
18 (\$80,000) of an organization may be deducted from gross receipts
19 if the organization:

20 (1) is exempt from the federal income tax as an
21 organization described in Section 501(c)(4) or 501(c)(10) of the
22 United States Internal Revenue Code of 1986, as amended;

23 (2) has gross receipts for the qualification
24 year of less than eighty thousand dollars (\$80,000); and

25 (3) incurred less than ten percent of its

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1 receipts in the qualification year for wages and salaries of
2 organization personnel.

3 B. In any period for which the receipts of an
4 organization may be deducted pursuant to this section:

5 (1) the organization shall not claim nor may
6 the department allow a deduction of the organization's receipts
7 during the period pursuant to Section 7-9-85 NMSA 1978; and

8 (2) any receipts of the organization from
9 gambling other than paper bingo and raffles shall not be
10 deducted from gross receipts.

11 C. For the purposes of this section, "qualification
12 year" means the organization's taxable year for federal income
13 tax purposes ending within six months prior to the beginning of
14 either the calendar or state fiscal year during which calendar
15 or fiscal year the organization claims or intends to claim the
16 deduction provided by this section. "

17 Section 5. EFFECTIVE DATE. -- The effective date of the
18 provisions of this act is July 1, 1997.

State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 18, 1997

Mr. Speaker:

Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred

HOUSE BILL 210, as amended

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Max Coll, Chairman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 17 For 0 Against

Yes: 17

Excused: None

Absent: None

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

Page 7

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 21, 1997

Mr. President:

Your WAYS AND MEANS COMMITTEE, to whom has been referred

HOUSE BILL 106

has had it under consideration and reports same with recommendation that it DO PASS.

Respectfully submitted,

Carlos R. Cisneros, Chairman

Adopted _____ Not Adopted _____

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

No: 0

Excused: McSorley

Absent: None

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