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HOUSE BILL 309

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

INTRODUCED BY

WILLIAM E. PORTER

AN ACT

RELATING TO TAXATION; AMENDING THE INVESTMENT CREDIT ACT TO  
MODIFY THE DEFINITION OF MANUFACTURING.

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

Section 1. Section 7-9A-3 NMSA 1978 (being Laws 1979,  
Chapter 347, Section 3, as amended by Laws 1991, Chapter 159,  
Section 2 and also by Laws 1991, Chapter 162, Section 2) is  
amended to read:

"7-9A-3. DEFINITIONS. --As used in the Investment Credit  
Act:

A. "department" means the taxation and revenue  
department, the secretary of taxation and revenue or any  
employee of the department exercising authority lawfully  
delegated to that employee by the secretary;

B. "equipment" means an essential machine, mechanism

Underscored material = new  
[bracketed material] = delete

Underscored material = new  
[bracketed material] = delete

1 or tool, or a component or fitting thereof, used directly and  
2 exclusively in a manufacturing operation and subject to  
3 depreciation for purposes of the Internal Revenue Code of 1986.  
4 as amended. by the taxpayer carrying on the manufacturing  
5 operation. "Equipment" does not include any vehicle that leaves  
6 the site of the manufacturing operation for purposes of  
7 transporting persons or property or any property for which the  
8 taxpayer claims the credit pursuant to Section 7-9-79 NMSA 1978;

9 C. "manufacturing" means combining or processing  
10 components or materials, including recyclable materials, to  
11 increase their value for sale in the ordinary course of  
12 business, including genetic testing and production, but not  
13 including:

- 14 (1) construction;
- 15 (2) farming, exclusive of geothermal;
- 16 (3) power generation; or
- 17 (4) processing natural resources, including  
18 hydrocarbons;

19 D. "manufacturing operation" means a plant,  
20 including a genetic testing and production facility, employing  
21 personnel to perform production tasks, in conjunction with  
22 equipment not previously existing at the site, to produce goods;

23 E. "recyclable materials" means materials that would  
24 otherwise become solid waste if not recycled and that can be  
25 collected, separated or processed and placed in use in the form

Underscored material = new  
~~[bracketed material] = delete~~

1 of raw materials or products; and

2 F. "taxpayer" means a person liable for payment of  
3 any tax, a person responsible for withholding and payment over  
4 or for collection and payment over of any tax, or a person to  
5 whom an assessment has been made, if the assessment remains  
6 unabated or the amount thereof has not been paid."

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**State of New Mexico**  
**House of Representatives**

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4 **FORTY-THIRD LEGISLATURE**  
5 **FIRST SESSION, 1997**  
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9 **March 3, 1997**  
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11 **Mr. Speaker:**  
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13 **Your TAXATION AND REVENUE COMMITTEE, to whom has**  
14 **been referred**  
15

16 **HOUSE BILL 309**  
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18 **has had it under consideration and reports same with**  
19 **recommendation that it DO PASS.**  
20

21 **Respectfully submitted,**  
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24 \_\_\_\_\_  
25 **Jerry W. Sandel, Chairman**

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HB 309

Page 5

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Gonzales, Lovejoy, Lujan

Absent: None

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

1 HB 309

Page 6

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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March 19, 1997

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10 Mr. President:

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12 Your WAYS AND MEANS COMMITTEE, to whom has been  
13 referred

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HOUSE BILL 309

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

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Respectfully submitted,

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Carlos R. Cisneros, Chairman

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

1 **HB 309**

Page 7

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(Chief Clerk)

(Chief Clerk)

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Date \_\_\_\_\_

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The roll call vote was 7 For 0 Against

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Yes: 7

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No: 0

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Excused: Duran, McSorley

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Absent: None

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