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HOUSE BILL 1255

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

INTRODUCED BY

JERRY W. SANDEL

AN ACT

RELATING TO TAXATION; IMPOSING A TAX FOR THE PRIVILEGE OF
MANUFACTURING OR DISTRIBUTING GAMING MACHINES; PROVIDING FOR THE
ADMINISTRATION AND ENFORCEMENT OF THE TAX; CREATING A FUND;
MAKING AN APPROPRIATION.

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

Section 1. SHORT TITLE. -- This act may be cited as the
"Gaming Impact Tax Act".

Section 2. DEFINITIONS. -- As used in the Gaming Impact Tax
Act:

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

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1 B. "distributing" means supplying or selling gaming
2 machines in New Mexico;

3 C. "gaming machine" means a mechanical,
4 electromechanical or electronic contrivance or machine that upon
5 insertion of a coin, token or similar object, or upon payment of
6 any consideration, is available to play or operate a game,
7 whether the payoff is made automatically from the machine or in
8 any other manner;

9 D. "manufacturing" means assembling, producing,
10 programming, making or modifying a gaming machine; and

11 E. "person" means an individual or any legal entity.

12 Section 3. GAMING IMPACT TAX IMPOSED--PAYMENT OF TAX.--

13 A. For the privilege of manufacturing or
14 distributing gaming machines, every person who manufactures or
15 distributes gaming machines for use in New Mexico shall pay a
16 fee of two thousand dollars (\$2,000) for each gaming machine
17 manufactured or distributed for use in New Mexico on which the
18 fee has not been paid.

19 B. The fee imposed by this section shall be known as
20 the "gaming impact tax".

21 C. The gaming impact tax is imposed at the time
22 that:

23 (1) a manufacturer delivers a gaming machine to
24 another person for the purpose of sale or use by the person to
25 whom the gaming machine is delivered; or

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1 (2) a distributor delivers a gaming machine to
2 another person for the purpose of use by the person to whom the
3 gaming machine is delivered.

4 E. The gaming impact tax shall be paid to the
5 department on the twenty-fifth day of the month following the
6 month in which the tax is imposed.

7 Section 4. GAMING IMPACT FUND CREATED--PURPOSE. --

8 A. The "gaming impact fund" is created in the state
9 treasury and shall consist of the net receipts from the gaming
10 impact tax imposed pursuant to the Gaming Impact Tax Act and any
11 other money distributed, transferred or otherwise accruing to
12 the fund. Earnings from investment of the fund shall be
13 credited to the fund, and balances at the end of any fiscal year
14 shall not revert to the general fund.

15 B. Money in the gaming impact fund is available for
16 appropriation annually by the legislature to address gaming
17 impacts and includes, but is not limited to, appropriation for
18 education, social and welfare services, infrastructure
19 development, transportation, law enforcement and public safety.

20 Section 5. GAMING IMPACT TAX--INTERPRETATION OF ACT--
21 ADMINISTRATION AND ENFORCEMENT OF ACT. --

22 A. The department shall interpret the provisions of
23 the Gaming Impact Tax Act.

24 B. The department shall administer and enforce the
25 collection of the gaming impact tax authorized by the Gaming

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1 Impact Tax Act, and the Tax Administration Act applies to the
2 administration and enforcement of the tax.

3 Section 6. A new section of the Tax Administration Act is
4 enacted to read:

5 "[NEW MATERIAL] DISTRIBUTION--GAMING IMPACT TAX.--A
6 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made
7 to the gaming impact fund in an amount equal to the net receipts
8 attributable to the gaming impact tax imposed pursuant to the
9 Gaming Impact Tax Act."

10 Section 7. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 1997.

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