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SENATE BILL 41

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

INTRODUCED BY

ROMAN M MAES III

AN ACT

RELATING TO TAXATION; PROVIDING DEDUCTIONS FROM GROSS RECEIPTS FOR SALES OF CONSTRUCTION MATERIALS, CONSTRUCTION SERVICES, EQUIPMENT AND INSTALLATION SERVICES FOR USE IN NEW OR EXPANDED MANUFACTURING OPERATIONS.

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-- SALE OF CERTAIN SERVICES, MATERIALS AND EQUIPMENT FOR MANUFACTURING OPERATIONS-- DEFINITIONS. --

A. Receipts from the sale of construction services to expand existing or construct new facilities for a manufacturing operation located in New Mexico may be deducted from gross receipts if the construction service is sold to a

Underscored material = new
[bracketed material] = delete

1 person who delivers a nontaxable transaction certificate to the
2 person performing the construction service.

3 B. Receipts from the sale of construction materials
4 purchased for use to expand existing or construct new facilities
5 for a manufacturing operation located in New Mexico may be
6 deducted from gross receipts if the materials are sold to a
7 person who delivers a nontaxable transaction certificate to the
8 person selling the materials.

9 C. Receipts from the sale of equipment purchased for
10 use in a new or expanded manufacturing operation located in New
11 Mexico may be deducted from gross receipts if the equipment is
12 sold to a person who delivers a nontaxable transaction
13 certificate to the person selling the equipment.

14 D. Receipts from the sale of installation services
15 necessary to install equipment in a new or expanded
16 manufacturing operation located in New Mexico may be deducted
17 from gross receipts if the installation service is sold to a
18 person who delivers a nontaxable transaction certificate to the
19 person performing the installation service.

20 E. As used in this section:

21 (1) "construction service" means a service
22 necessary to construct or expand a manufacturing operation;

23 (2) "equipment" means equipment necessary to
24 conduct a new or expanded manufacturing operation;

25 (3) "installation service" means a service

1 required to install and make operational equipment necessary to
2 conduct a manufacturing operation; and

3 (4) "manufacturing operation" means a plant
4 employing personnel to perform production or assembly tasks to
5 produce goods.

6 F. Election by a taxpayer to deliver the nontaxable
7 transaction certificate necessary to support a deduction from
8 gross receipts pursuant to the provisions of this section shall
9 preclude availability to that taxpayer of the investment credit
10 that would be available on the same equipment pursuant to the
11 provisions of the Investment Credit Act. "

12 Section 2. EFFECTIVE DATE. --The effective date of the
13 provisions of this act is July 1, 1997.

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1 FORTY-THIRD LEGISLATURE

2 FIRST SESSION, 1997

SB 41/a

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5 January 30, 1997

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7 Mr. President:

8
9 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to
10 whom has been referred

11
12 SENATE BILL 41

13
14 has had it under consideration and reports same with
15 recommendation that it DO PASS, amended as follows:

16
17 1. On page 3, line 5, after "goods" insert "or enhance the
18 value of products".,

19 and thence referred to the WAYS & MEANS COMMITTEE.
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22 Respectfully submitted,
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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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Roman M. Maes, III, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

No: None

Excused: Robinson, Wilson

Absent: None

S0041CT1

. 115433. 2

.114016.1

Underscored material = new
[bracketed material] = delete

1 FORTY-THIRD LEGISLATURE

2 FIRST SESSION, 1997

SB 41/a

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4
5 February 12, 1997

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7 Mr. President:

8
9 Your WAYS AND MEANS COMMITTEE, to whom has been
10 referred

11 SENATE BILL 41, as amended

12
13 has had it under consideration and reports same with
14 recommendation that it DO PASS, amended as follows:
15

16
17 1. Strike Senate Corporations and Transportation Committee

18 Amendment 1.

19
20 2. On page 3, line 5, before the period insert ", including
21 meat packing plants, agricultural produce processing plants,
22 chemical processing plants, oil refineries and natural gas
23 processing plants, but excluding power plants and restaurants and
24 similar establishments whose primary business is selling food at
25 retail".

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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SWMC/SB 41

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3. On page 3, between lines 11 and 12, insert the following new section:

"Section 2. DELAYED REPEAL. --Section 1 of this act is repealed effective July 1, 2002. "

4. Renumber the succeeding section accordingly., and further recommends that it now be referred to the FINANCE COMMITTEE.

Respectfully submitted,

Carlos R. Cisneros, Chairman

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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SWMC/SB 41

Page 8

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: 0

Excused: Duran, McSorley, Nava

Absent: None

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Underscored material = new
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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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SWMC/SB 41

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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

February 27, 1997

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

SENATE BILL 41, as amended

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

Respectfully submitted,

Ben D. Altamirano, Chairman

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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SWMC/SB 41

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

No: None

Excused: Aragon, Ingle, Smith

Absent: None

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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

SWMC/SB 41

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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

March 1, 1997

SENATE FLOOR AMENDMENT number _____ to SENATE BILL 41, as amended

AMENDMENT sponsored by SENATOR ARAGON

1. On page 1, line 24, after the word "New Mexico" insert
"counties, with over ten percent (10%) unemployment,".

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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

SWMC/SB 41

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Senator Manny M Aragon

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

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[bracketed material] = delete