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HOUSE BILL 24

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

James E. Smith and Timothy M. Keller

FOR THE SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE
AND THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING FOR A CREDIT OF GROSS RECEIPTS
TAX DUE EQUAL TO FIFTY PERCENT OF CONTRIBUTIONS TO AN ELIGIBLE
ENDOWMENT FUND OF A FOUR-YEAR PUBLIC POST-SECONDARY EDUCATIONAL
INSTITUTION.

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] CREDIT--GROSS RECEIPTS TAX--TECHNOLOGY
COMMERCIALIZATION FUNDING.--

A. A taxpayer may claim a credit against gross
receipts tax due in an amount equal to fifty percent of a
contribution made to an eligible endowment fund of a New Mexico
four-year public post-secondary educational institution that
promotes the commercialization of licensed technology conceived

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1 in a New Mexico four-year public post-secondary educational
2 institution or federal scientific and engineering laboratory or
3 test facility located in New Mexico.

4 B. A taxpayer eligible for the tax credit pursuant
5 to this section may claim the amount of each tax credit by
6 crediting that amount against gross receipts taxes otherwise
7 due pursuant to the Gross Receipts and Compensating Tax Act.
8 The total amount of the tax credit shall be divided by twelve
9 and taken on each monthly gross receipts tax return filed by
10 the taxpayer against gross receipts taxes due the state for
11 twelve consecutive months after the date of contribution. In
12 no event shall the tax credits taken by an individual taxpayer
13 exceed five hundred thousand dollars (\$500,000) in a given
14 calendar year. The department may allow a maximum annual
15 aggregate of two million dollars (\$2,000,000) in tax credits
16 provided pursuant to this section. Claims for the tax credit
17 shall be considered in the order received by the department. A
18 taxpayer who submits a claim for a tax credit and who is unable
19 to receive the tax credit because the claims exceed the annual
20 aggregate limitation in this subsection shall be placed for the
21 subsequent year ahead of the other taxpayers submitting claims
22 in the subsequent year in the order of the date on which the
23 department received the claim.

24 C. An educational institution that receives a
25 contribution to an eligible endowment fund shall certify to the

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1 department the use of money in the fund, the amount of
2 contribution to the fund and the taxpayer who made the
3 contribution. The department shall administer the credit
4 provided pursuant to this section.

5 D. The purpose of the tax credit provided by this
6 section is to provide an incentive for the technology
7 commercialization industry to locate and expand in New Mexico.

8 E. On an annual basis starting in fiscal year 2018,
9 an educational institution that receives a contribution to an
10 eligible endowment fund shall report to the legislative finance
11 committee, which shall evaluate and report to the appropriate
12 legislative interim committee, on the uses of and expenditures
13 from the fund, including:

14 (1) the number of faculty recruited and
15 retained;

16 (2) a description of any collaboration among
17 the universities and between the universities funded by the
18 fund and other institutions, agencies, entities or persons;

19 (3) a description of current and projected
20 technology research, development and commercialization and
21 patent applications, and their economic impact;

22 (4) an analysis of current and projected job
23 creation and industry incubation and growth; and

24 (5) any other information that the legislative
25 finance committee deems appropriate or as requested by the

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1 appropriate legislative interim committee.

2 F. As used in this section, "eligible endowment
3 fund" means an endowment fund of a New Mexico four-year public
4 post-secondary educational institution for which money in the
5 fund is primarily used to:

6 (1) develop and maintain collaboration
7 agreements with universities or federal laboratories or
8 research, development, testing and evaluating facilities to
9 facilitate the transfer and commercialization of technology
10 licensed or conceived in a New Mexico four-year public
11 post-secondary educational institution or federal scientific
12 and engineering laboratory or test facility located in New
13 Mexico;

14 (2) promote and market federal and state
15 technology commercialization programs;

16 (3) advise, assist, promote and develop
17 business relating to technology commercialization or
18 technology-based new business; or

19 (4) develop early market demand that will
20 advance the commercialization and widespread application of
21 technology licensed or conceived in a New Mexico four-year
22 public post-secondary educational institution or federal
23 scientific and engineering laboratory or test facility located
24 in New Mexico."

25 SECTION 2. APPLICABILITY.--The provisions of this act

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1 apply to contributions made on or after July 1, 2013 and
2 applied to gross receipts tax returns filed on or after August
3 1, 2013.

4 SECTION 3. EFFECTIVE DATE.--The effective date of the
5 provisions of this act is July 1, 2013.