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SENATE BILL

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; AUTHORIZING CERTAIN TAX RETURN INFORMATION TO BE REVEALED TO THE ECONOMISTS OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION AND THE LEGISLATIVE FINANCE COMMITTEE FOR THE PURPOSE OF TRACKING, FORECASTING AND ANALYZING TAX REVENUE; REQUIRING SEPARATE REPORTING FOR CERTAIN DEDUCTIONS AND CREDITS; PROVIDING THAT CLAIMS FOR CERTAIN ECONOMIC DEVELOPMENT INCENTIVES ARE AUTHORIZATION TO REVEAL THE IDENTITY OF THE TAXPAYER AND THE AMOUNT OF INCENTIVE ALLOWED; EXCLUDING CERTAIN ENTITIES FROM A GROSS RECEIPTS TAX EXEMPTION FOR NONPROFIT ORGANIZATIONS; NARROWING THE PREMIUM TAX IN LIEU PROVISION; AMENDING AND REPEALING SECTIONS OF THE NMSA 1978.

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

SECTION 1. Section 7-1-8.8 NMSA 1978 (being Laws 2009, Chapter 243, Section 10, as amended) is amended to read:

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1 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER STATE
2 AGENCIES.--An employee of the department may reveal to:

3 A. a committee of the legislature for a valid
4 legislative purpose, return information concerning any tax or
5 fee imposed pursuant to the Cigarette Tax Act;

6 B. the attorney general, return information
7 acquired pursuant to the Cigarette Tax Act for purposes of
8 Section 6-4-13 NMSA 1978 and the master settlement agreement
9 defined in Section 6-4-12 NMSA 1978;

10 C. the commissioner of public lands, return
11 information for use in auditing that pertains to rentals,
12 royalties, fees and other payments due the state under land
13 sale, land lease or other land use contracts;

14 D. the secretary of human services or the
15 secretary's delegate under a written agreement with the
16 department, the last known address with date of all names
17 certified to the department as being absent parents of children
18 receiving public financial assistance, but only for the purpose
19 of enforcing the support liability of the absent parents by the
20 child support enforcement division or any successor
21 organizational unit;

22 E. the department of information technology, by
23 electronic media, a database updated quarterly that contains
24 the names, addresses, county of address and taxpayer
25 identification numbers of New Mexico personal income tax

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1 filers, but only for the purpose of producing the random jury
2 list for the selection of petit or grand jurors for the state
3 courts pursuant to Section 38-5-3 NMSA 1978;

4 F. the state courts, the random jury lists produced
5 by the department of information technology under Subsection E
6 of this section;

7 G. the director of the New Mexico department of
8 agriculture or the director's authorized representative, upon
9 request of the director or representative, the names and
10 addresses of all gasoline or special fuel distributors,
11 wholesalers and retailers;

12 H. the public regulation commission, return
13 information with respect to the Corporate Income and Franchise
14 Tax Act required to enable the commission to carry out its
15 duties;

16 I. the state racing commission, return information
17 with respect to the state, municipal and county gross receipts
18 taxes paid by racetracks;

19 J. the gaming control board, tax returns of license
20 applicants and their affiliates as provided in Subsection E of
21 Section 60-2E-14 NMSA 1978;

22 K. the director of the workers' compensation
23 administration or to the director's representatives authorized
24 for this purpose, return information to facilitate the
25 identification of taxpayers that are delinquent or noncompliant

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1 in payment of fees required by Section 52-1-9.1 or 52-5-19 NMSA
2 1978;

3 L. the secretary of workforce solutions or the
4 secretary's delegate, return information for use in enforcement
5 of unemployment insurance collections pursuant to the terms of
6 a written reciprocal agreement entered into by the department
7 with the secretary of workforce solutions for exchange of
8 information;

9 M. the New Mexico finance authority, information
10 with respect to the amount of municipal and county gross
11 receipts taxes collected by municipalities and counties
12 pursuant to any local option municipal or county gross receipts
13 taxes imposed, and information with respect to the amount of
14 governmental gross receipts taxes paid by every agency,
15 institution, instrumentality or political subdivision of the
16 state pursuant to Section 7-9-4.3 NMSA 1978; ~~[and]~~

17 N. the secretary of human services or the
18 secretary's delegate; provided that a person who receives the
19 confidential return information on behalf of the human services
20 department shall not reveal the information and shall be
21 subject to the penalties in Section 7-1-76 NMSA 1978 if the
22 person fails to maintain the confidentiality required:

23 (1) that return information needed for reports
24 required to be made to the federal government concerning the
25 use of federal funds for low-income working families; and

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1 (2) the names and addresses of low-income
2 taxpayers for the limited purpose of outreach to those
3 taxpayers; provided that the human services department shall
4 pay the department for expenses incurred by the department to
5 derive the information requested by the human services
6 department if the information requested is not readily
7 available in reports for which the department's information
8 systems are programmed; and

9 0. an economist of the department of finance and
10 administration and an economist of the legislative finance
11 committee, upon written request of the economist, return
12 information for the purpose of tracking, forecasting and
13 analyzing tax revenue, including return information related to
14 deductions and tax credits provided by law; provided that an
15 economist who receives the return information shall not reveal
16 the information to an unauthorized person and shall be subject
17 to the penalties in Section 7-1-76 NMSA 1978 if the economist
18 fails to maintain the confidentiality required."

19 SECTION 2. Section 7-2E-1.1 NMSA 1978 (being Laws 2007,
20 Chapter 172, Section 2, as amended) is amended to read:

21 "7-2E-1.1. TAX CREDIT--RURAL JOB TAX CREDIT.--

22 A. The tax credit created by this section may be
23 referred to as the "rural job tax credit". Every eligible
24 employer may apply for, and the taxation and revenue department
25 may allow, a tax credit for each qualifying job the employer

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1 creates. The maximum tax credit amount with respect to each
2 qualifying job is equal to:

3 (1) twenty-five percent of the first sixteen
4 thousand dollars (\$16,000) in wages paid for the qualifying job
5 if the job is performed or based at a location in a tier one
6 area; or

7 (2) twelve and one-half percent of the first
8 sixteen thousand dollars (\$16,000) in wages paid if the
9 qualifying job is performed or based at a location in a tier
10 two area.

11 B. The purpose of the rural job tax credit is to
12 encourage businesses to start new businesses in rural areas of
13 the state.

14 C. The amount of the rural job tax credit shall be
15 six and one-fourth percent of the first sixteen thousand
16 dollars (\$16,000) in wages paid for the qualifying job in a
17 qualifying period. The rural job tax credit may be claimed for
18 each qualifying job for a maximum of:

19 (1) four qualifying periods for each
20 qualifying job performed or based at a location in a tier one
21 area; and

22 (2) two qualifying periods for each qualifying
23 job performed or based at a location in a tier two area.

24 D. With respect to each qualifying job for which an
25 eligible employer seeks the rural job tax credit, the employer

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1 shall certify the amount of wages paid to each eligible
2 employee during each qualifying period, the number of weeks
3 during the qualifying period the position was occupied and
4 whether the qualifying job was in a tier one or tier two area.

5 E. The economic development department shall
6 determine which employers are eligible employers and shall
7 report the listing of eligible businesses to the taxation and
8 revenue department in a manner and at times the departments
9 shall agree upon.

10 F. To receive a rural job tax credit with respect
11 to any qualifying period, an eligible employer [~~must~~] shall
12 apply to the taxation and revenue department on forms and in
13 the manner the department may prescribe. The application shall
14 include a certification made pursuant to Subsection D of this
15 section. If all the requirements of this section have been
16 complied with, the taxation and revenue department may issue to
17 the applicant a document granting a tax credit for the
18 appropriate qualifying period. The tax credit document shall
19 be numbered for identification and declare its date of issuance
20 and the amount of rural job tax credit allowed for the
21 respective jobs created. The tax credit documents may be sold,
22 exchanged or otherwise transferred and may be carried forward
23 for a period of three years from the date of issuance. The
24 parties to such a transaction to sell, exchange or transfer a
25 rural job tax credit document shall notify the department of

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1 the transaction within ten days of the sale, exchange or
2 transfer.

3 G. The holder of the tax credit document may apply
4 all or a portion of the rural job tax credit granted by the
5 document against the holder's modified combined tax liability,
6 personal income tax liability or corporate income tax
7 liability. Any balance of rural job tax credit granted by the
8 document may be carried forward for up to three years from the
9 date of issuance of the tax credit document. No amount of
10 rural job tax credit [~~may~~] shall be applied against a gross
11 receipts tax imposed by a municipality or county.

12 H. Notwithstanding the provisions of Section 7-1-8
13 NMSA 1978, the taxation and revenue department may disclose to
14 any person the balance of rural job tax credit remaining on any
15 tax credit document and the balance of credit remaining on that
16 document for any period.

17 I. A claim for the tax credit provided by this
18 section is authorization by the taxpayer to reveal the identity
19 of the taxpayer and the amount of the tax credit allowed by the
20 department.

21 J. A taxpayer allowed a tax credit pursuant to this
22 section shall report the amount of the tax credit separately in
23 a manner required by the department.

24 [~~I.~~] K. The [~~secretary of~~] economic development
25 department, the [~~secretary of~~] taxation and revenue department

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1 and the [~~secretary of~~] workforce solutions [~~or their designees~~]
2 department shall annually evaluate the effectiveness of the
3 rural job tax credit in stimulating economic development in the
4 rural areas of New Mexico and make a joint report of their
5 findings to each session of the legislature so long as the
6 rural job tax credit is in effect. Those departments shall
7 compile an annual report on the tax credit provided by this
8 section that shall include the number of taxpayers that claimed
9 the rural job tax credit, the aggregate amount of credits
10 allowed and any other information necessary to evaluate the tax
11 credit. The departments shall compile and present the annual
12 reports to the revenue stabilization and tax policy committee
13 and the legislative finance committee with an analysis of the
14 cost and whether the tax credit is performing the purpose for
15 which it was enacted.

16 [~~J.~~] L. An eligible employer that creates a
17 qualifying job in the period beginning on or after July 1, 2006
18 but before July 1, 2007 or creates a qualifying job, the
19 qualifying period of which includes a part of the period
20 between July 1, 2006 and July 1, 2007, for which the eligible
21 employer has not received a rural job tax credit document
22 pursuant to this section may submit an application for, and the
23 taxation and revenue department may issue to the eligible
24 employer applying, a document granting a tax credit for the
25 appropriate qualifying period. Claims for a rural job tax

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1 credit submitted pursuant to the provisions of this subsection
2 shall be submitted within three years from the date of issuance
3 of the rural job tax credit document.

4 ~~[K-]~~ M. A qualifying job shall not be eligible for
5 a rural job credit pursuant to this section if:

6 (1) the job is created due to a business
7 merger, acquisition or other change in organization;

8 (2) the eligible employee was terminated from
9 employment in New Mexico by another employer involved in the
10 merger, acquisition or other change in organization; and

11 (3) the job is performed by:

12 (a) the person who performed the job or
13 its functional equivalent prior to the business merger,
14 acquisition or other change in organization; or

15 (b) a person replacing the person who
16 performed the job or its functional equivalent prior to the
17 business merger, acquisition or other change in organization.

18 ~~[L-]~~ N. Notwithstanding Subsection ~~[K]~~ M of this
19 section, a qualifying job that was created by another employer
20 and for which the rural job tax credit claim was received by
21 the taxation and revenue department prior to July 1, 2013 and
22 is under review or has been approved shall remain eligible for
23 the rural job tax credit for the balance of the qualifying
24 periods for which the job qualifies by the new employer that
25 results from a business merger, acquisition or other change in

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1 the organization.

2 [M-] O. A job shall not be eligible for a rural job
3 tax credit pursuant to this section if the job is created due
4 to an eligible employer entering into a contract or becoming a
5 subcontractor to a contract with a governmental entity that
6 replaces one or more entities performing functionally
7 equivalent services for the governmental entity in New Mexico
8 unless the job is a qualifying job that was not being performed
9 by an employee of the replaced entity.

10 [N-] P. As used in this section:

11 (1) "eligible employee" means any individual
12 other than an individual who:

13 (a) bears any of the relationships
14 described in Paragraphs (1) through (8) of 26 U.S.C. Section
15 152(a) to the employer or, if the employer is a corporation, to
16 an individual who owns, directly or indirectly, more than fifty
17 percent in value of the outstanding stock of the corporation
18 or, if the employer is an entity other than a corporation, to
19 any individual who owns, directly or indirectly, more than
20 fifty percent of the capital and profits interests in the
21 entity;

22 (b) if the employer is an estate or
23 trust, is a grantor, beneficiary or fiduciary of the estate or
24 trust or is an individual who bears any of the relationships
25 described in Paragraphs (1) through (8) of 26 U.S.C. Section

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1 152(a) to a grantor, beneficiary or fiduciary of the estate or
2 trust; or

3 (c) is a dependent, as that term is
4 described in 26 U.S.C. Section 152(a)(9), of the employer or,
5 if the taxpayer is a corporation, of an individual who owns,
6 directly or indirectly, more than fifty percent in value of the
7 outstanding stock of the corporation or, if the employer is an
8 entity other than a corporation, of any individual who owns,
9 directly or indirectly, more than fifty percent of the capital
10 and profits interests in the entity or, if the employer is an
11 estate or trust, of a grantor, beneficiary or fiduciary of the
12 estate or trust;

13 (2) "eligible employer" means an employer who
14 is eligible for in-plant training assistance pursuant to
15 Section 21-19-7 NMSA 1978;

16 (3) "metropolitan statistical area" means a
17 metropolitan statistical area in New Mexico as determined by
18 the United States [~~bureau of the~~] census bureau;

19 (4) "modified combined tax liability" means
20 the total liability for the reporting period for the gross
21 receipts tax imposed by Section 7-9-4 NMSA 1978 together with
22 any tax collected at the same time and in the same manner as
23 that gross receipts tax, such as the compensating tax, the
24 withholding tax, the interstate telecommunications gross
25 receipts tax, the surcharges imposed by Section 63-9D-5 NMSA

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1 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978,
2 minus the amount of any credit other than the rural job tax
3 credit applied against any or all of these taxes or surcharges;
4 but "modified combined tax liability" excludes all amounts
5 collected with respect to local option gross receipts taxes;

6 (5) "qualifying job" means a job established
7 by the employer that is occupied by an eligible employee for at
8 least forty-eight weeks of a qualifying period;

9 (6) "qualifying period" means the period of
10 twelve months beginning on the day an eligible employee begins
11 working in a qualifying job or the period of twelve months
12 beginning on the anniversary of the day an eligible employee
13 began working in a qualifying job;

14 (7) "rural area" means any part of the state
15 other than:

- 16 (a) an H class county;
17 (b) the state fairgrounds;
18 (c) an incorporated municipality within
19 a metropolitan statistical area if the municipality's
20 population is thirty thousand or more according to the most
21 recent federal decennial census; and
22 (d) any area within ten miles of the
23 exterior boundaries of a municipality described in Subparagraph
24 (c) of this paragraph;

25 (8) "tier one area" means:

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1 (a) any municipality within the rural
2 area if the municipality's population according to the most
3 recent federal decennial census is fifteen thousand or less; or

4 (b) any part of the rural area that is
5 not within the exterior boundaries of a municipality;

6 (9) "tier two area" means any municipality
7 within the rural area if the municipality's population
8 according to the most recent federal decennial census is more
9 than fifteen thousand; and

10 (10) "wages" means all compensation paid by an
11 eligible employer to an eligible employee through the
12 employer's payroll system, including those wages the employee
13 elects to defer or redirect, such as the employee's
14 contribution to 401(k) or cafeteria plan programs, but not
15 including benefits or the employer's share of payroll taxes."

16 SECTION 3. Section 7-9-24 NMSA 1978 (being Laws 1969,
17 Chapter 144, Section 17, as amended) is amended to read:

18 "7-9-24. EXEMPTION--GROSS RECEIPTS TAX--INSURANCE
19 COMPANIES--AGENTS OF INSURANCE COMPANIES.--

20 A. Exempted from the gross receipts tax are the
21 receipts [~~of insurance companies or any agent thereof from~~
22 ~~premiums and any consideration received by a property bondsman,~~
23 ~~as that person is defined in Section 59A-51-2 NMSA 1978, as~~
24 ~~security or surety for a bail bond in connection with a~~
25 ~~judicial proceeding]~~ for which the premium tax pursuant to

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1 Section 59A-6-2 NMSA 1978 is assessed.

2 B. Exempted from the gross receipts tax are the
3 receipts of an agent of an insurer for services directly
4 related to administering an insurance plan on behalf of the
5 insurer.

6 C. As used in this section, "insurer" means
7 "insurer" as defined in the New Mexico Insurance Code."

8 SECTION 4. Section 7-9-29 NMSA 1978 (being Laws 1970,
9 Chapter 12, Section 3, as amended) is amended to read:

10 "7-9-29. EXEMPTION--GROSS RECEIPTS TAX--CERTAIN
11 ORGANIZATIONS--EXCEPTIONS.--

12 A. Exempted from the gross receipts tax are the
13 receipts of organizations that demonstrate to the department
14 that they have been granted exemption from the federal income
15 tax by the United States commissioner of internal revenue as
16 organizations described in Section 501(c)(3) of the United
17 States Internal Revenue Code of [~~1954~~] 1986, as that section
18 may be amended or renumbered.

19 B. Exempted from the gross receipts tax are the
20 receipts from carrying on chamber of commerce, visitor bureau
21 and convention bureau functions of organizations that
22 demonstrate to the department that they have been granted
23 exemption from the federal income tax by the United States
24 commissioner of internal revenue as organizations described in
25 Section 501(c)(6) of the United States Internal Revenue Code of

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1 ~~[1954]~~ 1986, as that section may be amended or renumbered.

2 C. This section does not apply to:

3 (1) receipts derived from an unrelated trade
4 or business as defined in Section 513 of the United States
5 Internal Revenue Code of ~~[1954]~~ 1986, as that section may be
6 amended or renumbered; or

7 (2) receipts of a prime contractor that are
8 derived from operating a facility in New Mexico designated as a
9 national laboratory by an act of congress."

10 SECTION 5. Section 7-9-47 NMSA 1978 (being Laws 1969,
11 Chapter 144, Section 37, as amended) is amended to read:

12 "7-9-47. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL
13 GROSS RECEIPTS TAX--SALE OF TANGIBLE PERSONAL PROPERTY OR
14 LICENSES FOR RESALE.--

15 A. Receipts from selling tangible personal property
16 or licenses may be deducted from gross receipts or from
17 governmental gross receipts if the sale is made to a person who
18 delivers a nontaxable transaction certificate to the seller.
19 The buyer delivering the nontaxable transaction certificate
20 ~~[must]~~ shall only resell the tangible personal property or
21 license either by itself or in combination with other tangible
22 personal property or licenses in the ordinary course of
23 business.

24 B. A taxpayer allowed a deduction pursuant to this
25 section shall report the amount of the deduction separately in

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1 a manner required by the department.

2 C. The department shall compile an annual report on
3 the deduction provided by this section that shall include the
4 number of taxpayers that claimed the deduction, the aggregate
5 amount of deductions claimed and any other information
6 necessary to evaluate the deduction. The department shall
7 compile and present the annual reports to the revenue
8 stabilization and tax policy committee and the legislative
9 finance committee with an analysis of the cost of the
10 deduction."

11 SECTION 6. Section 7-9-48 NMSA 1978 (being Laws 1969,
12 Chapter 144, Section 38, as amended) is amended to read:

13 "7-9-48. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL
14 GROSS RECEIPTS--SALE OF A SERVICE FOR RESALE.--

15 A. Receipts from selling a service for resale may
16 be deducted from gross receipts or from governmental gross
17 receipts if the sale is made to a person who delivers a
18 nontaxable transaction certificate to the seller. The buyer
19 delivering the nontaxable transaction certificate [~~must~~] shall
20 only resell the service in the ordinary course of business and
21 the resale [~~must~~] shall be subject to the gross receipts tax or
22 governmental gross receipts tax.

23 B. A taxpayer allowed a deduction pursuant to this
24 section shall report the amount of the deduction separately in
25 a manner required by the department.

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1 C. The department shall compile an annual report on
2 the deduction provided by this section that shall include the
3 number of taxpayers that claimed the deduction, the aggregate
4 amount of deductions claimed and any other information
5 necessary to evaluate the deduction. The department shall
6 compile and present the annual reports to the revenue
7 stabilization and tax policy committee and the legislative
8 finance committee with an analysis of the cost of the
9 deduction."

10 SECTION 7. Section 7-9-54.3 NMSA 1978 (being Laws 2002,
11 Chapter 37, Section 8, as amended by Laws 2010, Chapter 77,
12 Section 2 and by Laws 2010, Chapter 78, Section 2) is amended
13 to read:

14 "7-9-54.3. DEDUCTION--GROSS RECEIPTS TAX--WIND AND SOLAR
15 GENERATION EQUIPMENT--SALES TO GOVERNMENTS.--

16 A. Receipts from selling wind generation equipment
17 or solar generation equipment to a government for the purpose
18 of installing a wind or solar electric generation facility may
19 be deducted from gross receipts.

20 B. The deduction allowed pursuant to this section
21 shall not be claimed for receipts from an expenditure for which
22 a taxpayer claims a credit pursuant to Section 7-2-18.25,
23 7-2A-25 or 7-9G-2 NMSA 1978.

24 C. A taxpayer allowed a deduction pursuant to this
25 section shall report the amount of the deduction separately in

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1 a manner required by the department.

2 D. The department shall compile an annual report on
3 the deduction provided by this section that shall include the
4 number of taxpayers that claimed the deduction, the aggregate
5 amount of deductions claimed and any other information
6 necessary to evaluate the deduction. The department shall
7 compile and present the annual reports to the revenue
8 stabilization and tax policy committee and the legislative
9 finance committee with an analysis of the cost of the
10 deduction.

11 [~~G.~~] E. As used in this section:

12 (1) "government" means the United States or
13 the state or a governmental unit or a subdivision, agency,
14 department or instrumentality of the federal government or the
15 state;

16 (2) "related equipment" means transformers,
17 circuit breakers and switching and metering equipment used to
18 connect a wind or solar electric generation plant to the
19 electric grid;

20 (3) "solar generation equipment" means solar
21 thermal energy collection, concentration and heat transfer and
22 conversion equipment; solar tracking hardware and software;
23 photovoltaic panels and inverters; support structures; turbines
24 and associated electrical generating equipment used to generate
25 electricity from solar thermal energy; and related equipment;

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1 and

2 (4) "wind generation equipment" means wind
3 generation turbines, blades, nacelles, rotors and supporting
4 structures used to generate electricity from wind and related
5 equipment."

6 SECTION 8. Section 7-9-56.2 NMSA 1978 (being Laws 1998,
7 Chapter 92, Section 2) is amended to read:

8 "7-9-56.2. DEDUCTION--GROSS RECEIPTS TAX--HOSTING WORLD
9 WIDE [~~WEB SITES~~] WEBSITES.--

10 A. Receipts from hosting world wide [~~web sites~~]
11 websites may be deducted from gross receipts. For purposes of
12 this section, "hosting" means storing information on computers
13 attached to the internet.

14 B. A taxpayer allowed a deduction pursuant to this
15 section shall report the amount of the deduction separately in
16 a manner required by the department.

17 C. The department shall compile an annual report on
18 the deduction provided by this section that shall include the
19 number of taxpayers that claimed the deduction, the aggregate
20 amount of deductions claimed and any other information
21 necessary to evaluate the deduction. The department shall
22 compile and present the annual reports to the revenue
23 stabilization and tax policy committee and the legislative
24 finance committee with an analysis of the cost of the
25 deduction."

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1 SECTION 9. Section 7-9-56.3 NMSA 1978 (being Laws 2003,
2 Chapter 232, Section 1, as amended) is amended to read:

3 "7-9-56.3. DEDUCTION--GROSS RECEIPTS--TRADE-SUPPORT
4 COMPANY IN A BORDER ZONE.--

5 A. The receipts of a trade-support company may be
6 deducted from gross receipts if:

7 (1) the trade-support company first locates in
8 New Mexico within twenty miles of a port of entry on New
9 Mexico's border with Mexico on or after July 1, 2003 but before
10 July 1, 2013 or on or after January 1, 2016 but before January
11 1, 2021;

12 (2) the receipts are received by the company
13 within a five-year period beginning on the date the trade-
14 support company locates in New Mexico and the receipts are
15 derived from its business activities and operations at its
16 border zone location; and

17 (3) the trade-support company employs at least
18 two employees in New Mexico.

19 B. A taxpayer that claims the deduction provided by
20 this section authorizes the department to reveal the identity
21 of the taxpayer and the amount of the deduction taken.

22 ~~[B-]~~ C. A taxpayer allowed a deduction pursuant to
23 this section shall report the amount of the deduction
24 separately in a manner required by the department.

25 ~~[G-]~~ D. The department shall compile an annual

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1 report on the deduction created pursuant to this section that
2 shall include the number of taxpayers approved by the
3 department to receive the deduction, the aggregate amount of
4 deductions approved and any other information necessary to
5 evaluate the effectiveness of the deduction. [~~Beginning in~~
6 ~~2016 and every four years thereafter that the deduction is in~~
7 ~~effect~~] The department shall compile and present the annual
8 reports to the revenue stabilization and tax policy committee
9 and the legislative finance committee with an analysis of the
10 effectiveness and cost of the deduction.

11 [~~D.~~] E. As used in this section:

12 (1) "employee" means an individual, other than
13 an individual who:

14 (a) bears any of the relationships
15 described in Paragraphs (1) through (8) of 26 U.S.C. Section
16 152(a) to the employer or, if the employer is a corporation, to
17 an individual who owns, directly or indirectly, more than fifty
18 percent in value of the outstanding stock of the corporation
19 or, if the employer is an entity other than a corporation, to
20 an individual who owns, directly or indirectly, more than fifty
21 percent of the capital and profits interests in the entity;

22 (b) if the employer is an estate or
23 trust, is a grantor, beneficiary or fiduciary of the estate or
24 trust or is an individual who bears any of the relationships
25 described in Paragraphs (1) through (8) of 26 U.S.C. Section

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1 152(a) to a grantor, beneficiary or fiduciary of the estate or
2 trust; or

3 (c) is a dependent, as that term is
4 described in 26 U.S.C. Section 152(a)(9), of the employer, or,
5 if the taxpayer is a corporation, of an individual who owns,
6 directly or indirectly, more than fifty percent in value of the
7 outstanding stock of the corporation or, if the employer is an
8 entity other than a corporation, an individual who owns,
9 directly or indirectly, more than fifty percent of the capital
10 and profits interests in the entity or, if the employer is an
11 estate or trust, of a grantor, beneficiary or fiduciary of the
12 estate or trust;

13 (2) "port of entry" means an international
14 port of entry in New Mexico at which customs services are
15 provided by United States customs and border protection; and

16 (3) "trade-support company" means a customs
17 brokerage firm or a freight forwarder."

18 SECTION 10. Section 7-9-57 NMSA 1978 (being Laws 1969,
19 Chapter 144, Section 47, as amended) is amended to read:

20 "7-9-57. DEDUCTION--GROSS RECEIPTS TAX--SALE OF CERTAIN
21 SERVICES TO AN OUT-OF-STATE BUYER.--

22 A. Receipts from performing a service may be
23 deducted from gross receipts if the sale of the service is made
24 to an out-of-state buyer who delivers to the seller either an
25 appropriate nontaxable transaction certificate or other

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1 evidence acceptable to the secretary unless the buyer of the
2 service or any of the buyer's employees or agents makes initial
3 use of the product of the service in New Mexico or takes
4 delivery of the product of the service in New Mexico.

5 B. Receipts from performing a service that
6 initially qualified for the deduction provided in this section
7 but that no longer meets the criteria set forth in Subsection A
8 of this section shall be deductible for the period prior to the
9 disqualification.

10 C. A taxpayer allowed a deduction pursuant to this
11 section shall report the amount of the deduction separately in
12 a manner required by the department.

13 D. The department shall compile an annual report on
14 the deduction provided by this section that shall include the
15 number of taxpayers that claimed the deduction, the aggregate
16 amount of deductions claimed and any other information
17 necessary to evaluate the deduction. The department shall
18 compile and present the annual reports to the revenue
19 stabilization and tax policy committee and the legislative
20 finance committee with an analysis of the cost of the
21 deduction."

22 SECTION 11. Section 7-9-57.2 NMSA 1978 (being Laws 2002,
23 Chapter 10, Section 1) is amended to read:

24 "7-9-57.2. DEDUCTION--GROSS RECEIPTS TAX--SALE OF
25 SOFTWARE DEVELOPMENT SERVICES.--

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1 A. To stimulate new business development, the
2 receipts of an eligible software development company from the
3 sale of software development services that are performed in a
4 qualified area may be deducted from gross receipts.

5 B. A taxpayer allowed a deduction pursuant to this
6 section shall report the amount of the deduction separately in
7 a manner required by the department.

8 C. The department shall compile an annual report on
9 the deduction provided by this section that shall include the
10 number of taxpayers that claimed the deduction, the aggregate
11 amount of deductions claimed and any other information
12 necessary to evaluate the deduction. The department shall
13 compile and present the annual reports to the revenue
14 stabilization and tax policy committee and the legislative
15 finance committee with an analysis of the cost of the
16 deduction.

17 ~~[B-]~~ D. As used in this section:

18 (1) "eligible software development company"
19 means a taxpayer who is not a successor in business of another
20 taxpayer; ~~[and]~~ whose primary business in New Mexico is
21 established after the effective date of this section and is
22 providing software development services; and who had no
23 business location in New Mexico other than in a qualified area
24 during the period for which a deduction under this section is
25 sought;

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1 (2) "qualified area" means the state of New
2 Mexico except for an incorporated municipality with a
3 population of more than fifty thousand according to the most
4 recent federal decennial census; and

5 (3) "software development services" means
6 custom software design and development and ~~[web site]~~ website
7 design and development but does not include software
8 implementation or support services."

9 SECTION 12. Section 7-9-62.1 NMSA 1978 (being Laws 2000
10 (2nd S.S.), Chapter 4, Section 2, as amended) is amended to
11 read:

12 "7-9-62.1. DEDUCTION--GROSS RECEIPTS TAX--AIRCRAFT SALES
13 AND SERVICES--REPORTING REQUIREMENTS.--

14 A. Receipts from the sale of or from maintaining,
15 refurbishing, remodeling or otherwise modifying a commercial or
16 military carrier over ten thousand pounds gross landing weight
17 may be deducted from gross receipts.

18 B. A taxpayer that claims the deduction provided by
19 this section authorizes the department to reveal the identity
20 of the taxpayer and the amount of the deduction taken.

21 ~~[B-]~~ C. A taxpayer allowed a deduction pursuant to
22 this section shall report the amount of the deduction
23 separately in a manner required by the department.

24 ~~[G-]~~ D. The department shall compile an annual
25 report on the deduction provided by this section that shall

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1 include the number of taxpayers approved by the department to
2 receive the deduction, the aggregate amount of deductions
3 approved and any other information necessary to evaluate the
4 effectiveness of the deduction. [~~Beginning in 2019 and every~~
5 ~~five years thereafter that the deduction is in effect~~] The
6 department shall compile and present the annual reports to the
7 revenue stabilization and tax policy committee and the
8 legislative finance committee with an analysis of the
9 effectiveness and cost of the deduction."

10 SECTION 13. Section 7-9-63 NMSA 1978 (being Laws 1969,
11 Chapter 144, Section 53) is amended to read:

12 "7-9-63. DEDUCTION--GROSS RECEIPTS TAX--PUBLICATION
13 SALES.--

14 A. Receipts from publishing newspapers or
15 magazines, except from selling advertising space, may be
16 deducted from gross receipts.

17 B. Receipts from selling magazines at retail may
18 not be deducted from gross receipts.

19 C. A taxpayer allowed a deduction pursuant to this
20 section shall report the amount of the deduction separately in
21 a manner required by the department.

22 D. The department shall compile an annual report on
23 the deduction provided by this section that shall include the
24 number of taxpayers that claimed the deduction, the aggregate
25 amount of deductions claimed and any other information

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1 necessary to evaluate the deduction. The department shall
2 compile and present the annual reports to the revenue
3 stabilization and tax policy committee and the legislative
4 finance committee with an analysis of the cost of the
5 deduction."

6 SECTION 14. Section 7-9-64 NMSA 1978 (being Laws 1969,
7 Chapter 144, Section 54) is amended to read:

8 "7-9-64. DEDUCTION--GROSS RECEIPTS TAX--NEWSPAPER
9 SALES.--

10 A. Receipts from selling newspapers, except from
11 selling advertising space, may be deducted from gross receipts.

12 B. A taxpayer allowed a deduction pursuant to this
13 section shall report the amount of the deduction separately in
14 a manner required by the department.

15 C. The department shall compile an annual report on
16 the deduction provided by this section that shall include the
17 number of taxpayers that claimed the deduction, the aggregate
18 amount of deductions claimed and any other information
19 necessary to evaluate the deduction. The department shall
20 compile and present the annual reports to the revenue
21 stabilization and tax policy committee and the legislative
22 finance committee with an analysis of the cost of the
23 deduction."

24 SECTION 15. Section 7-9-69 NMSA 1978 (being Laws 1969,
25 Chapter 144, Section 61, as amended) is amended to read:

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1 "7-9-69. DEDUCTION--GROSS RECEIPTS TAX--ADMINISTRATIVE
2 AND ACCOUNTING SERVICES.--

3 A. Receipts of a business entity for
4 administrative, managerial, accounting and customer services
5 performed by it for an affiliate upon a nonprofit or cost basis
6 and receipts of a business entity from an affiliate for the
7 joint use or sharing of office machines and facilities upon a
8 nonprofit or cost basis may be deducted from gross receipts.

9 B. A taxpayer allowed a deduction pursuant to this
10 section shall report the amount of the deduction separately in
11 a manner required by the department.

12 C. The department shall compile an annual report on
13 the deduction provided by this section that shall include the
14 number of taxpayers that claimed the deduction, the aggregate
15 amount of deductions claimed and any other information
16 necessary to evaluate the deduction. The department shall
17 compile and present the annual reports to the revenue
18 stabilization and tax policy committee and the legislative
19 finance committee with an analysis of the cost of the
20 deduction.

21 ~~[B-]~~ D. For the purposes of this section:

22 (1) "affiliate" means a business entity that
23 directly or indirectly through one or more intermediaries
24 controls, is controlled by or is under common control with
25 another business entity;

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1 (2) "business entity" means a corporation,
2 limited liability company, partnership, limited partnership,
3 limited liability partnership or real estate investment trust,
4 but does not mean an individual or a joint venture; and

5 (3) "control" means equity ownership in a
6 business entity that:

7 (a) represents at least fifty percent of
8 the total voting power of that business entity; or

9 (b) has a value equal to at least fifty
10 percent of the total equity of that business entity."

11 SECTION 16. Section 7-9-73.1 NMSA 1978 (being Laws 1991,
12 Chapter 8, Section 3, as amended) is amended to read:

13 "7-9-73.1. DEDUCTION--GROSS RECEIPTS--HOSPITALS.--

14 A. Fifty percent of the receipts of hospitals
15 licensed by the department of health may be deducted from gross
16 receipts; provided that this deduction may be applied only to
17 the taxable gross receipts remaining after all other
18 appropriate deductions have been taken.

19 B. A taxpayer that claims the deduction provided by
20 this section authorizes the department to reveal the identity
21 of the taxpayer and the amount of the deduction taken.

22 C. A taxpayer allowed a deduction pursuant to this
23 section shall report the amount of the deduction separately in
24 a manner required by the department.

25 D. The department shall compile an annual report on

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1 the deduction provided by this section that shall include the
2 number of taxpayers that claimed the deduction, the aggregate
3 amount of deductions claimed and any other information
4 necessary to evaluate the deduction. The department shall
5 compile and present the annual reports to the revenue
6 stabilization and tax policy committee and the legislative
7 finance committee with an analysis of the cost of the
8 deduction."

9 SECTION 17. Section 7-9-73.2 NMSA 1978 (being Laws 1998,
10 Chapter 95, Section 2 and Laws 1998, Chapter 99, Section 4, as
11 amended) is amended to read:

12 "7-9-73.2. DEDUCTION--GROSS RECEIPTS TAX AND GOVERNMENTAL
13 GROSS RECEIPTS TAX--PRESCRIPTION DRUGS--OXYGEN.--

14 A. Receipts from the sale of prescription drugs and
15 oxygen and oxygen services provided by a licensed medicare
16 durable medical equipment provider may be deducted from gross
17 receipts and governmental gross receipts.

18 B. A taxpayer allowed a deduction pursuant to this
19 section shall report the amount of the deduction separately in
20 a manner required by the department.

21 C. The department shall compile an annual report on
22 the deduction provided by this section that shall include the
23 number of taxpayers that claimed the deduction, the aggregate
24 amount of deductions claimed and any other information
25 necessary to evaluate the deduction. The department shall

.209172.2

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1 compile and present the annual reports to the revenue
2 stabilization and tax policy committee and the legislative
3 finance committee with an analysis of the cost of the
4 deduction.

5 [B-] D. For the purposes of this section,
6 "prescription drugs" means insulin and substances that are:

7 (1) dispensed by or under the supervision of a
8 licensed pharmacist or by a physician or other person
9 authorized under state law to do so;

10 (2) prescribed for a specified person by a
11 person authorized under state law to prescribe the substance;
12 and

13 (3) subject to the restrictions on sale
14 contained in Subparagraph 1 of Subsection (b) of 21 USCA 353."

15 SECTION 18. Section 7-9-75 NMSA 1978 (being Laws 1972,
16 Chapter 39, Section 2) is amended to read:

17 "7-9-75. DEDUCTION--GROSS RECEIPTS TAX--SALE OF CERTAIN
18 SERVICES PERFORMED DIRECTLY ON PRODUCT MANUFACTURED.--

19 A. Receipts from selling the service of combining
20 or processing components or materials may be deducted from
21 gross receipts if the sale is made to a person engaged in the
22 business of manufacturing who delivers a nontaxable transaction
23 certificate to the seller. The buyer delivering the nontaxable
24 transaction certificate [~~must~~] shall only have the service
25 performed directly upon tangible personal property [~~which he~~]

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1 that the buyer is in the business of manufacturing or upon
2 ingredients or component parts thereof.

3 B. A taxpayer allowed a deduction pursuant to this
4 section shall report the amount of the deduction separately in
5 a manner required by the department.

6 C. The department shall compile an annual report on
7 the deduction provided by this section that shall include the
8 number of taxpayers that claimed the deduction, the aggregate
9 amount of deductions claimed and any other information
10 necessary to evaluate the deduction. The department shall
11 compile and present the annual reports to the revenue
12 stabilization and tax policy committee and the legislative
13 finance committee with an analysis of the cost of the
14 deduction."

15 SECTION 19. Section 7-9-83 NMSA 1978 (being Laws 1993,
16 Chapter 364, Section 1, as amended) is amended to read:

17 "7-9-83. DEDUCTION--GROSS RECEIPTS TAX--JET FUEL.--

18 A. [~~From July 1, 2003 through June 30, 2017,~~
19 ~~fifty-five percent of the receipts from the sale of fuel~~
20 ~~especially prepared and sold for use in turboprop or jet-type~~
21 ~~engines as determined by the department may be deducted from~~
22 ~~gross receipts. B. After June 30, 2017]~~ Forty percent of the
23 receipts from the sale of fuel specially prepared and sold for
24 use in turboprop or jet-type engines as determined by the
25 department may be deducted from gross receipts.

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1 B. A taxpayer allowed a deduction pursuant to this
2 section shall report the amount of the deduction separately in
3 a manner required by the department.

4 C. The department shall compile an annual report on
5 the deduction provided by this section that shall include the
6 number of taxpayers that claimed the deduction, the aggregate
7 amount of deductions claimed and any other information
8 necessary to evaluate the deduction. The department shall
9 compile and present the annual reports to the revenue
10 stabilization and tax policy committee and the legislative
11 finance committee with an analysis of the cost of the
12 deduction."

13 SECTION 20. Section 7-9-84 NMSA 1978 (being Laws 1993,
14 Chapter 364, Section 2, as amended) is amended to read:

15 "7-9-84. DEDUCTION--COMPENSATING TAX--JET FUEL.--

16 A. ~~[From July 1, 2003 through June 30, 2017, fifty-~~
17 ~~five percent of the value of the fuel specially prepared and~~
18 ~~sold for use in turboprop or jet-type engines as determined by~~
19 ~~the department may be deducted in computing the compensating~~
20 ~~tax due. B. After June 30, 2017] Forty percent of the value~~
21 of the fuel specially prepared and sold for use in turboprop or
22 jet-type engines as determined by the department may be
23 deducted in computing the compensating tax due.

24 B. A taxpayer allowed a deduction pursuant to this
25 section shall report the amount of the deduction separately in

.209172.2

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1 a manner required by the department.

2 C. The department shall compile an annual report on
3 the deduction provided by this section that shall include the
4 number of taxpayers that claimed the deduction, the aggregate
5 amount of deductions claimed and any other information
6 necessary to evaluate the deduction. The department shall
7 compile and present the annual reports to the revenue
8 stabilization and tax policy committee and the legislative
9 finance committee with an analysis of the cost of the
10 deduction."

11 SECTION 21. Section 7-9-86 NMSA 1978 (being Laws 1995,
12 Chapter 80, Section 1, as amended) is amended to read:

13 "7-9-86. DEDUCTION--GROSS RECEIPTS TAX--SALES TO
14 QUALIFIED FILM PRODUCTION COMPANY.--

15 A. Receipts from selling or leasing property and
16 from performing services may be deducted from gross receipts or
17 from governmental gross receipts if the sale, lease or
18 performance is made to a qualified production company that
19 delivers a nontaxable transaction certificate to the seller,
20 lessor or performer.

21 B. A taxpayer allowed a deduction pursuant to this
22 section shall report the amount of the deduction separately in
23 a manner required by the department.

24 C. The department shall compile an annual report on
25 the deduction provided by this section that shall include the

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1 number of taxpayers that claimed the deduction, the aggregate
2 amount of deductions claimed and any other information
3 necessary to evaluate the deduction. The department shall
4 compile and present the annual reports to the revenue
5 stabilization and tax policy committee and the legislative
6 finance committee with an analysis of the cost of the
7 deduction.

8 [B-] D. For the purposes of this section:

9 (1) "film" means a single media or multimedia
10 program, including an advertising message, that:

11 (a) is fixed on film, digital medium,
12 videotape, computer disc, laser disc or other similar delivery
13 medium;

14 (b) can be viewed or reproduced;

15 (c) is not intended to and does not
16 violate a provision of Chapter 30, Article 37 NMSA 1978; and

17 (d) is intended for reasonable
18 commercial exploitation for the delivery medium used;

19 (2) "production company" means a person that
20 produces one or more films for exhibition in theaters, on
21 television or elsewhere;

22 (3) "production costs" means the costs of the
23 following:

24 (a) a story and scenario to be used for
25 a film;

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1 (b) salaries of talent, management and
2 labor, including payments to personal services corporations for
3 the services of a performing artist;

4 (c) set construction and operations,
5 wardrobe, accessories and related services;

6 (d) photography, sound synchronization,
7 lighting and related services;

8 (e) editing and related services;

9 (f) rental of facilities and equipment;

10 or

11 (g) other direct costs of producing the
12 film in accordance with generally accepted entertainment
13 industry practice; and

14 (4) "qualified production company" means a
15 production company that meets the provisions of this section
16 and has registered or will register with the New Mexico film
17 division of the economic development department.

18 [~~G.~~] E. A qualified production company may deliver
19 the nontaxable transaction certificates authorized by this
20 section only with respect to production costs."

21 **SECTION 22.** Section 7-9-108 NMSA 1978 (being Laws 2007,
22 Chapter 172, Section 10) is amended to read:

23 "7-9-108. DEDUCTION--GROSS RECEIPTS--RECEIPTS FROM
24 PERFORMING MANAGEMENT OR INVESTMENT ADVISORY SERVICES FOR
25 MUTUAL FUNDS, HEDGE FUNDS OR REAL ESTATE INVESTMENT TRUSTS.--

.209172.2

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1 A. Receipts from fees received for performing
2 management or investment advisory services for a mutual fund,
3 hedge fund or real estate investment trust may be deducted from
4 gross receipts.

5 B. A taxpayer allowed a deduction pursuant to this
6 section shall report the amount of the deduction separately in
7 a manner required by the department.

8 C. The department shall compile an annual report on
9 the deduction provided by this section that shall include the
10 number of taxpayers that claimed the deduction, the aggregate
11 amount of deductions claimed and any other information
12 necessary to evaluate the deduction. The department shall
13 compile and present the annual reports to the revenue
14 stabilization and tax policy committee and the legislative
15 finance committee with an analysis of the cost of the
16 deduction.

17 ~~[B-]~~ D. As used in this section:

18 (1) "hedge fund" means a private investment
19 fund or pool, the assets of which are managed by a professional
20 management firm, that:

21 (a) trades or invests, through public
22 market or private transactions, in securities, commodities,
23 currency, derivatives or similar classes of financial assets;
24 or

25 (b) is not an investment company

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1 pursuant to the provisions of 15 U.S.C. 80a-3(c)(1) or 15
2 U.S.C. 80a-3(c)(7);

3 (2) "mutual fund" means an entity registered
4 pursuant to the federal Investment Company Act of 1940, as
5 amended; and

6 (3) "real estate investment trust" means an
7 entity described in Section 856(a) of the Internal Revenue Code
8 of 1986, as amended, the investments of which are limited to
9 interests in mortgages on real property and shares of or
10 transferable certificates of beneficial interest in an entity
11 described in Section 856(a) of the Internal Revenue Code of
12 1986, as amended."

13 SECTION 23. Section 7-9-115 NMSA 1978 (being Laws 2015
14 (1st S.S.), Chapter 2, Section 9) is amended to read:

15 "7-9-115. DEDUCTION--GROSS RECEIPTS TAX--GOODS AND
16 SERVICES FOR THE DEPARTMENT OF DEFENSE RELATED TO DIRECTED
17 ENERGY AND SATELLITES.--

18 A. Prior to January 1, 2021, receipts from the sale
19 by a qualified contractor of qualified research and development
20 services and qualified directed energy and satellite-related
21 inputs may be deducted from gross receipts when sold pursuant
22 to a contract with the United States department of defense.

23 B. The purposes of the deduction allowed in this
24 section are to promote new and sophisticated technology,
25 enhance the viability of directed energy and satellite

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1 projects, attract new projects and employers to New Mexico and
2 increase high-technology employment opportunities in New
3 Mexico.

4 C. A taxpayer allowed a deduction pursuant to this
5 section shall report the amount of the deduction separately in
6 a manner required by the department.

7 D. The department shall compile an annual report on
8 the deduction provided by this section that shall include the
9 number of taxpayers that claimed the deduction, the aggregate
10 amount of deductions claimed and any other information
11 necessary to evaluate the effectiveness of the deduction.

12 [~~Beginning in 2017 and each year thereafter that the deduction~~
13 ~~is in effect~~] The department and the economic development
14 department shall present the annual report to the revenue
15 stabilization and tax policy committee and the legislative
16 finance committee with an analysis of the effectiveness and
17 cost of the deduction and whether the deduction is performing
18 the purpose for which it was created.

19 E. As used in this section:

20 (1) "directed energy" means a system,
21 including related services, that enables the use of the
22 frequency spectrum, including radio waves, light and x-rays;

23 (2) "inputs" means systems, subsystems,
24 components, prototypes and demonstrators or products and
25 services involving optics, photonics, electronics, advanced

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1 materials, nanoelectromechanical and microelectromechanical
2 systems, fabrication materials and test evaluation and computer
3 control systems related to directed energy or satellites;

4 (3) "qualified contractor" means a person
5 other than an organization designated as a national laboratory
6 by act of congress or an operator of national laboratory
7 facilities in New Mexico; provided that the operator may be a
8 qualified contractor with respect to the operator's receipts
9 not connected with operating the national laboratory;

10 (4) "qualified directed energy and satellite-
11 related inputs" means inputs supplied to the department of
12 defense pursuant to a contract with that department entered
13 into on or after January 1, 2016;

14 (5) "qualified research and development
15 services" means research and development services related to
16 directed energy or satellites provided to the department of
17 defense pursuant to a contract with that department entered
18 into on or after January 1, 2016; and

19 (6) "satellite" means composite systems
20 assembled and packaged for use in space, including launch
21 vehicles and related products and services."

22 SECTION 24. Section 7-9A-9 NMSA 1978 (being Laws 1979,
23 Chapter 347, Section 9, as amended by Laws 1991, Chapter 159,
24 Section 7 and also by Laws 1991, Chapter 162, Section 7) is
25 amended to read:

.209172.2

1 "7-9A-9. CREDIT CLAIM FORMS--REPORTING---

2 A. The department shall provide credit claim forms.
3 A credit claim shall accompany any return to which the taxpayer
4 wishes to apply an approved credit, and the claim shall specify
5 the amount of credit intended to apply to each return.

6 B. A claim for the tax credit provided by this
7 section is authorization by the taxpayer to reveal the identity
8 of the taxpayer and the amount of the tax credit allowed by the
9 department.

10 C. A taxpayer allowed a tax credit shall report the
11 amount of the credit separately in a manner required by the
12 department.

13 D. The department shall compile an annual report on
14 the tax credit that shall include the number of taxpayers that
15 claimed the tax credit, the aggregate amount of credits allowed
16 and any other information necessary to evaluate the tax credit.
17 The department shall compile and present the annual reports to
18 the revenue stabilization and tax policy committee and the
19 legislative finance committee with an analysis of the cost and
20 whether the tax credit is performing the purpose for which it
21 was enacted."

22 SECTION 25. Section 7-9F-10 NMSA 1978 (being Laws 2000
23 (2nd S.S.), Chapter 22, Section 10) is amended to read:

24 "7-9F-10. CREDIT CLAIM FORMS--REPORTING---

25 A. The department shall provide credit claim forms.

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1 A credit claim shall accompany any return in which the taxpayer
2 wishes to apply for an approved basic or additional credit, and
3 the claim shall specify the amount and type of credit intended
4 to apply to each return.

5 B. A claim for the tax credit is authorization by
6 the taxpayer to reveal the identity of the taxpayer and the
7 amount of the tax credit allowed by the department.

8 C. A taxpayer allowed a tax credit shall report the
9 amount of the credit separately in a manner required by the
10 department.

11 D. The department shall compile an annual report on
12 the tax credit that shall include the number of taxpayers that
13 claimed the tax credit, the aggregate amount of credits allowed
14 and any other information necessary to evaluate the tax credit.
15 The department shall compile and present the annual reports to
16 the revenue stabilization and tax policy committee and the
17 legislative finance committee with an analysis of the cost and
18 whether the tax credit is performing the purpose for which it
19 was enacted."

20 SECTION 26. Section 7-9G-1 NMSA 1978 (being Laws 2004,
21 Chapter 15, Section 1, as amended) is amended to read:

22 "7-9G-1. HIGH-WAGE JOBS TAX CREDIT--QUALIFYING HIGH-WAGE
23 JOBS.--

24 A. A taxpayer who is an eligible employer may apply
25 for, and the department may allow, a tax credit for each new

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1 high-wage economic-based job. The credit provided in this
2 section may be referred to as the "high-wage jobs tax credit".

3 B. The purpose of the high-wage jobs tax credit is
4 to provide an incentive for urban and rural businesses to
5 create and fill new high-wage economic-based jobs in New
6 Mexico.

7 C. The high-wage jobs tax credit may be claimed and
8 allowed in an amount equal to ten percent of the wages
9 distributed to an eligible employee in a new high-wage
10 economic-based job, but shall not exceed twelve thousand
11 dollars (\$12,000) per job per qualifying period. The high-wage
12 jobs tax credit may be claimed by an eligible employer for each
13 new high-wage economic-based job performed for the year in
14 which the new high-wage economic-based job is created and for
15 the three consecutive qualifying periods as provided in this
16 section.

17 D. To receive a high-wage jobs tax credit, a
18 taxpayer shall file an application for approval of the credit
19 with the department once per calendar year on forms and in the
20 manner prescribed by the department. The annual application
21 shall contain the certification required by Subsection K of
22 this section and shall contain all qualifying periods that
23 closed during the calendar year for which the application is
24 made. Any qualifying period that did not close in the calendar
25 year for which the application is made shall be denied by the

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1 department. The application for a calendar year shall be filed
2 no later than December 31 of the following calendar year. If a
3 taxpayer fails to file the annual application within the time
4 limits provided in this section, the application shall be
5 denied by the department. The department shall make a
6 determination on the application within one hundred eighty days
7 of the date on which the application was filed; provided that
8 the one-hundred-eighty-day period shall not begin until the
9 application is complete, as determined by the department.

10 E. A new high-wage economic-based job shall not be
11 eligible for a credit pursuant to this section for the initial
12 qualifying period unless the eligible employer's total number
13 of employees with threshold jobs on the last day of the initial
14 qualifying period at the location at which the job is performed
15 or based is at least one more than the number of threshold jobs
16 on the day prior to the date the new high-wage economic-based
17 job was created. A new high-wage economic-based job shall not
18 be eligible for a credit pursuant to this section for a
19 consecutive qualifying period unless the total number of
20 threshold jobs at a location at which the job is performed or
21 based on the last day of that qualifying period is greater than
22 or equal to the number of threshold jobs at that same location
23 on the last day of the initial qualifying period for the new
24 high-wage economic-based job.

25 F. Any consecutive qualifying period for a new

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1 high-wage economic-based job shall not be eligible for a credit
2 pursuant to this section unless the wage, the forty-eight-week
3 occupancy and the residency requirements for a new high-wage
4 economic-based job are met for each consecutive qualifying
5 period. If any consecutive qualifying period for a new high-
6 wage economic-based job does not meet the wage, the forty-
7 eight-week occupancy and the residency requirements, all
8 subsequent qualifying periods are ineligible.

9 G. Except as provided in Subsection H of this
10 section, a new high-wage economic-based job shall not be
11 eligible for a credit pursuant to this section if:

12 (1) the new high-wage economic-based job is
13 created due to a business merger or acquisition or other change
14 in business organization;

15 (2) the eligible employee was terminated from
16 employment in New Mexico by another employer involved in the
17 business merger or acquisition or other change in business
18 organization with the taxpayer; and

19 (3) the new high-wage economic-based job is
20 performed by:

21 (a) the person who performed the job or
22 its functional equivalent prior to the business merger or
23 acquisition or other change in business organization; or

24 (b) a person replacing the person who
25 performed the job or its functional equivalent prior to a

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1 business merger or acquisition or other change in business
2 organization.

3 H. A new high-wage economic-based job that was
4 created by another employer and for which an application for
5 the high-wage jobs tax credit was received and is under review
6 by the department prior to the time of the business merger or
7 acquisition or other change in business organization shall
8 remain eligible for the high-wage jobs tax credit for the
9 balance of the consecutive qualifying periods. The new
10 employer that results from a business merger or acquisition or
11 other change in business organization may only claim the high-
12 wage jobs tax credit for the balance of the consecutive
13 qualifying periods for which the new high-wage economic-based
14 job is otherwise eligible.

15 I. A new high-wage economic-based job shall not be
16 eligible for a credit pursuant to this section if the job is
17 created due to an eligible employer entering into a contract or
18 becoming a subcontractor to a contract with a governmental
19 entity that replaces one or more entities performing
20 functionally equivalent services for the governmental entity
21 unless the job is a new high-wage economic-based job that was
22 not being performed by an employee of the replaced entity.

23 J. A new high-wage economic-based job shall not be
24 eligible for a credit pursuant to this section if the eligible
25 employer has more than one business location in New Mexico from

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1 which it conducts business and the requirements of Subsection E
2 of this section are satisfied solely by moving the job from one
3 business location of the eligible employer in New Mexico to
4 another business location of the eligible employer in New
5 Mexico.

6 K. With respect to each annual application for a
7 high-wage jobs tax credit, the employer shall certify and
8 include:

9 (1) the amount of wages paid to each eligible
10 employee in a new high-wage economic-based job during the
11 qualifying period;

12 (2) the number of weeks each position was
13 occupied during the qualifying period;

14 (3) whether the new high-wage economic-based
15 job was in a municipality with a population of sixty thousand
16 or more or with a population of less than sixty thousand
17 according to the most recent federal decennial census and
18 whether the job was in the unincorporated area of a county;

19 (4) whether the application pertains to the
20 first, second, third or fourth qualifying period for each
21 eligible employee;

22 (5) the total number of employees employed by
23 the employer at the job location on the day prior to the
24 qualifying period and on the last day of the qualifying period;

25 (6) the total number of threshold jobs

.209172.2

1 performed or based at the eligible employer's location on the
2 day prior to the qualifying period and on the last day of the
3 qualifying period;

4 (7) for an eligible employer that has more
5 than one business location in New Mexico from which it conducts
6 business, the total number of threshold jobs performed or based
7 at each business location of the eligible employer in New
8 Mexico on the day prior to the qualifying period and on the
9 last day of the qualifying period;

10 (8) whether the eligible employer is receiving
11 or is eligible to receive development training program
12 assistance pursuant to Section 21-19-7 NMSA 1978;

13 (9) whether the eligible employer has ceased
14 business operations at any of its business locations in New
15 Mexico; and

16 (10) whether the application is precluded by
17 Subsection O of this section.

18 L. Any person who willfully submits a false,
19 incorrect or fraudulent certification required pursuant to
20 Subsection K of this section shall be subject to all applicable
21 penalties under the Tax Administration Act, except that the
22 amount on which the penalty is based shall be the total amount
23 of credit requested on the application for approval.

24 M. Except as provided in Subsection N of this
25 section, an approved high-wage jobs tax credit shall be claimed

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1 against the taxpayer's modified combined tax liability and
2 shall be filed with the return due immediately following the
3 date of the credit approval. If the credit exceeds the
4 taxpayer's modified combined tax liability, the excess shall be
5 refunded to the taxpayer.

6 N. If the taxpayer ceases business operations in
7 New Mexico while an application for credit approval is pending
8 or after an application for credit has been approved for any
9 qualifying period for a new high-wage economic-based job, the
10 department shall not grant an additional high-wage jobs tax
11 credit to that taxpayer, except as provided in Subsection O of
12 this section, and shall extinguish any amount of credit
13 approved for that taxpayer that has not already been claimed
14 against the taxpayer's modified combined tax liability.

15 O. A taxpayer that has received a high-wage jobs
16 tax credit shall not submit a new application for a credit for
17 a minimum of five calendar years from the closing date of the
18 last qualifying period for which the taxpayer received the
19 credit if the taxpayer:

20 (1) lost eligibility to claim a tax credit
21 from a previous application pursuant to Subsection E or N of
22 this section; or

23 (2) reduces its total full-time employees in
24 New Mexico by more than five percent after the date on which
25 the last qualifying period on the taxpayer's previous

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1 application ends.

2 P. A claim for a high-wage jobs tax credit provided
3 by this section is authorization by the taxpayer to reveal the
4 identity of the taxpayer and the amount of the tax credit
5 allowed by the department.

6 Q. A taxpayer allowed a high-wage jobs tax credit
7 shall report the amount of the credit separately in a manner
8 required by the department.

9 ~~[P-]~~ R. The economic development department and the
10 taxation and revenue department shall ~~[report to the~~
11 ~~appropriate interim legislative]~~ compile an annual report on
12 the tax credit provided by this section that shall include the
13 number of taxpayers that claimed the tax credit, the aggregate
14 amount of credits allowed and any other information necessary
15 to evaluate the tax credit. The departments shall compile and
16 present the annual reports to the revenue stabilization and tax
17 policy committee and the legislative finance committee each
18 year with an analysis of the cost of this tax credit ~~[to the~~
19 ~~state and its]~~ and the tax credit's impact on company
20 recruitment and job creation.

21 ~~[Q-]~~ S. As used in this section:

22 (1) "benefits" means all remuneration for work
23 performed that is provided to an employee in whole or in part
24 by the employer, other than wages, including the employer's
25 contributions to insurance programs, health care, medical,

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1 dental and vision plans, life insurance, employer contributions
2 to pensions, such as a 401(k), and employer-provided services,
3 such as child care, offered by an employer to the employee;

4 (2) "consecutive qualifying periods" means the
5 three qualifying periods successively following the qualifying
6 period in which the new high-wage economic-based job was
7 created;

8 (3) "department" means the taxation and
9 revenue department;

10 (4) "domicile" means the sole place where an
11 individual has a true, fixed, permanent home. It is the place
12 where the individual has a voluntary, fixed habitation of self
13 and family with the intention of making a permanent home;

14 (5) "eligible employee" means an individual
15 who is employed in New Mexico by an eligible employer and who
16 is a resident of New Mexico; "eligible employee" does not
17 include an individual who:

18 (a) bears any of the relationships
19 described in Paragraphs (1) through (8) of 26 U.S.C. Section
20 152(a) to the employer or, if the employer is a corporation, to
21 an individual who owns, directly or indirectly, more than fifty
22 percent in value of the outstanding stock of the corporation
23 or, if the employer is an entity other than a corporation, to
24 an individual who owns, directly or indirectly, more than fifty
25 percent of the capital and profits interest in the entity;

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1 (b) if the employer is an estate or
2 trust, is a grantor, beneficiary or fiduciary of the estate or
3 trust or is an individual who bears any of the relationships
4 described in Paragraphs (1) through (8) of 26 U.S.C. Section
5 152(a) to a grantor, beneficiary or fiduciary of the estate or
6 trust;

7 (c) is a dependent, as that term is
8 described in 26 U.S.C. Section 152(a)(9), of the employer or,
9 if the taxpayer is a corporation, of an individual who owns,
10 directly or indirectly, more than fifty percent in value of the
11 outstanding stock of the corporation or, if the employer is an
12 entity other than a corporation, of an individual who owns,
13 directly or indirectly, more than fifty percent of the capital
14 and profits interest in the entity or, if the employer is an
15 estate or trust, of a grantor, beneficiary or fiduciary of the
16 estate or trust; or

17 (d) is working or has worked as an
18 employee or as an independent contractor for an entity that,
19 directly or indirectly, owns stock in a corporation of the
20 eligible employer or other interest of the eligible employer
21 that represents fifty percent or more of the total voting power
22 of that entity or has a value equal to fifty percent or more of
23 the capital and profits interest in the entity;

24 (6) "eligible employer" means an employer
25 that:

.209172.2

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1 (a) sold and delivered more than fifty
2 percent of its goods produced in New Mexico or non-retail
3 services performed in New Mexico to persons outside New Mexico
4 for use or resale outside New Mexico during the applicable
5 qualifying period; provided that the fifty percent of those
6 goods or services is measured by the eligible employer's gross
7 receipts;

8 (b) is receiving or is eligible to
9 receive development training program assistance pursuant to
10 Section 21-19-7 NMSA 1978 during the applicable qualifying
11 period; and

12 (c) whose principal business activities
13 at the location in New Mexico for which the high-wage jobs tax
14 credit is being claimed consist of manufacturing or performing
15 non-retail services during the applicable qualifying period;

16 (7) "for use or resale outside New Mexico"
17 means that the person who purchases the eligible employer's
18 goods or services uses or resells the goods or services outside
19 New Mexico or makes initial use of the goods or services
20 outside New Mexico. If the purchaser conducts business in
21 multiple states, goods and services are deemed for use or
22 resale outside New Mexico, unless New Mexico is the primary
23 market for the purchaser's goods or services;

24 (8) "full-time employee" means an employee who
25 works for the same employer an average of at least thirty-two

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1 hours per week for at least forty-eight weeks per year;

2 (9) "manufacturing" means "manufacturing" as
3 that term is used in Section 7-9A-3 NMSA 1978;

4 (10) "modified combined tax liability" means
5 the total liability for the reporting period for the gross
6 receipts tax imposed by Section 7-9-4 NMSA 1978 together with
7 any tax collected at the same time and in the same manner as
8 the gross receipts tax, such as the compensating tax, the
9 withholding tax, the interstate telecommunications gross
10 receipts tax, the surcharges imposed by Section 63-9D-5 NMSA
11 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978,
12 minus the amount of any credit other than the high-wage jobs
13 tax credit applied against any or all of these taxes or
14 surcharges; but "modified combined tax liability" excludes all
15 amounts collected with respect to local option gross receipts
16 taxes;

17 (11) "new high-wage economic-based job" means
18 a new job created in New Mexico by an eligible employer on or
19 after July 1, 2004 and prior to July 1, 2020 that is occupied
20 for at least forty-eight weeks of a qualifying period by an
21 eligible employee who is paid wages calculated for the
22 qualifying period to be at least:

23 (a) for a new high-wage economic-based
24 job created prior to July 1, 2015: 1) forty thousand dollars
25 (\$40,000) if the job is performed or based in or within ten

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1 miles of the external boundaries of a municipality with a
2 population of sixty thousand or more according to the most
3 recent federal decennial census or in a class H county; and 2)
4 twenty-eight thousand dollars (\$28,000) if the job is performed
5 or based in a municipality with a population of less than sixty
6 thousand according to the most recent federal decennial census
7 or in the unincorporated area, that is not within ten miles of
8 the external boundaries of a municipality with a population of
9 sixty thousand or more, of a county other than a class H
10 county; and

11 (b) for a new high-wage economic-based
12 job created on or after July 1, 2015: 1) sixty thousand
13 dollars (\$60,000) if the job is performed or based in or within
14 ten miles of the external boundaries of a municipality with a
15 population of sixty thousand or more according to the most
16 recent federal decennial census or in a class H county; and 2)
17 forty thousand dollars (\$40,000) if the job is performed or
18 based in a municipality with a population of less than sixty
19 thousand according to the most recent federal decennial census
20 or in the unincorporated area, that is not within ten miles of
21 the external boundaries of a municipality with a population of
22 sixty thousand or more, of a county other than a class H
23 county;

24 (12) "non-retail service" means a specialized
25 service, excluding a construction service of any type, that is

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1 sold to another business or business entity and is used by the
2 business or business entity to develop products for or deliver
3 services to its customers. "Non-retail service" is not
4 provided by direct individual-to-individual interaction and is
5 not offered to the general public by the business or business
6 entity. "Non-retail service" includes:

7 (a) research, development, engineering
8 and testing services performed for a manufacturer that uses the
9 product of the service to develop new or improve existing
10 products;

11 (b) software and software application
12 development services performed for a business;

13 (c) data processing and hosting services
14 performed for a business that uses the service to deliver
15 products or service to its own customers;

16 (d) digital film production services and
17 post-film production services performed for a business that
18 will market the digital product or film;

19 (e) customer or call center services
20 performed for a business, if those services do not support
21 retail activities of the eligible employer; and

22 (f) professional services, such as
23 accounting, engineering, legal and information technology
24 services, if the eligible employer does not offer those
25 services for sale to the general public;

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1 (13) "performed in New Mexico" means that the
2 labor, activities, property and equipment necessary to
3 complete, but not to deliver, a service all occur or are
4 utilized within New Mexico;

5 (14) "produced in New Mexico" means the
6 creation of, bringing into existence or making available a good
7 or product for commercial sale through the expense of labor or
8 capital, or both, within New Mexico;

9 (15) "qualifying period" means the period of
10 twelve months beginning on the day an eligible employee begins
11 working in a new high-wage economic-based job or the period of
12 twelve months beginning on the anniversary of the day an
13 eligible employee began working in a new high-wage economic-
14 based job;

15 (16) "resident" means a natural person whose
16 domicile is in New Mexico at the time of hire or within one
17 hundred eighty days of the date of hire;

18 (17) "threshold job" means a job that is
19 occupied for at least forty-eight weeks of a calendar year by
20 an eligible employee and that meets the wage requirements for a
21 "new high-wage economic-based job"; and

22 (18) "wages" means all compensation paid by an
23 eligible employer to an eligible employee through the
24 employer's payroll system, including those wages that the
25 employee elects to defer or redirect or the employee's

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1 contribution to a 401(k) or cafeteria plan program, but "wages"
2 does not include benefits or the employer's share of payroll
3 taxes, social security or medicare contributions, federal or
4 state unemployment insurance contributions or workers'
5 compensation."

6 SECTION 27. Section 7-9J-8 NMSA 1978 (being Laws 2007,
7 Chapter 204, Section 18) is amended to read:

8 "7-9J-8. CREDIT CLAIM FORMS--REPORTING.--

9 A. The department shall provide credit claim forms
10 and instructions. A credit claim form shall accompany any
11 return in which the taxpayer claims a credit, and the claim
12 shall specify the amount of credit intended to apply to each
13 return.

14 B. A claim for the tax credit is authorization by
15 the taxpayer to reveal the identity of the taxpayer and the
16 amount of the tax credit allowed by the department.

17 C. A taxpayer allowed a tax credit shall report the
18 amount of the credit separately in a manner required by the
19 department.

20 D. The department shall compile an annual report on
21 the tax credit that shall include the number of taxpayers that
22 claimed the tax credit, the aggregate amount of credits allowed
23 and any other information necessary to evaluate the tax credit.
24 The department shall compile and present the annual reports to
25 the revenue stabilization and tax policy committee and the

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1 legislative finance committee with an analysis of the cost and
2 whether the tax credit is performing the purpose for which it
3 was enacted."

4 SECTION 28. Section 7-14-6 NMSA 1978 (being Laws 1988,
5 Chapter 73, Section 16, as amended) is amended to read:

6 "7-14-6. EXEMPTIONS FROM TAX.--

7 A. A person who acquires a vehicle out of state
8 thirty or more days before establishing a domicile in this
9 state is exempt from the tax if the vehicle was acquired for
10 personal use.

11 B. A person applying for a certificate of title for
12 a vehicle registered in another state is exempt from the tax if
13 the person has previously registered and titled the vehicle in
14 New Mexico and has owned the vehicle continuously since that
15 time.

16 C. A vehicle with a certificate of title owned by
17 this state or any political subdivision is exempt from the tax.

18 D. A person is exempt from the tax if the person
19 has a disability at the time the person purchases a vehicle and
20 can prove to the motor vehicle division of the department or
21 its agent that modifications have been made to the vehicle that
22 are:

23 (1) due to that person's disability; and

24 (2) necessary to enable that person to drive
25 that vehicle or be transported in that vehicle.

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1 E. A person is exempt from the tax if the person is
2 a bona fide resident of New Mexico who served in the armed
3 forces of the United States and who suffered, while serving in
4 the armed forces or from a service-connected cause, the loss or
5 complete and total loss of use of:

- 6 (1) one or both legs at or above the ankle; or
- 7 (2) one or both arms at or above the wrist.

8 F. A person who acquires a vehicle for subsequent
9 lease shall be exempt from the tax if:

- 10 (1) the person does not use the vehicle in any
11 manner other than holding it for lease or sale or leasing or
12 selling it in the ordinary course of business;
- 13 (2) the lease is for a term of more than six
14 months;
- 15 (3) the receipts from the subsequent lease are
16 subject to the gross receipts tax; and
- 17 (4) the vehicle does not have a gross vehicle
18 weight of over twenty-six thousand pounds.

19 ~~[G. From July 1, 2004 through June 30, 2009,~~
20 ~~vehicles that are gasoline-electric hybrid vehicles with a~~
21 ~~United States environmental protection agency fuel economy~~
22 ~~rating of at least twenty-seven and one-half miles per gallon~~
23 ~~are eligible for a one-time exemption from the tax at the time~~
24 ~~of the issuance of the original certificate of title for the~~
25 ~~vehicle.]"~~

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1 SECTION 29. Section 59A-6-6 NMSA 1978 (being Laws 1984,
2 Chapter 127, Section 106, as amended) is amended to read:

3 "59A-6-6. PREEMPTION AND IN LIEU PROVISION.--The state
4 government of New Mexico preempts the field of taxation of
5 insurers, nonprofit health care plans, health maintenance
6 organizations, prepaid dental plans, prearranged funeral plans
7 and insurance producers as such and payment of the taxes,
8 licenses and fees. [~~provided for in the Insurance Code~~] The
9 premium tax imposed pursuant to Section 59A-6-2 NMSA 1978 shall
10 be in lieu of all other taxes [~~licenses and fees of every kind~~
11 ~~now or hereafter imposed by this state or any political~~
12 ~~subdivision thereof on any of the foregoing specified entities,~~
13 ~~excepting the regular state, county and city taxes on property~~
14 ~~located in New Mexico and excepting the income tax on insurance~~
15 ~~producers. No provision of law enacted after January 1, 1985~~
16 ~~shall be deemed to modify this provision except by express~~
17 ~~reference to this section]~~ on revenue or receipts for which the
18 premium tax is assessed."

19 SECTION 30. TEMPORARY PROVISION--EXHAUSTION OF CREDITS.--

20 A. If a taxpayer has met the eligibility
21 requirements to apply for and claim a credit pursuant to
22 Section 7-2-18.4, 7-2-18.5, 7-2-18.8, 7-2-18.21, 7-2-18.27,
23 7-2A-15 or 7-2A-23 NMSA 1978 or a credit pursuant to the
24 Venture Capital Investment Act for a period prior to the
25 effective date of this act, the taxpayer may claim, and the

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1 taxation and revenue department may approve, the credit for
2 those periods, including amounts that may be carried forward
3 pursuant to those sections and that act as they were in effect
4 prior to the effective date of this act.

5 B. If a taxpayer has claimed and been awarded a
6 credit pursuant to Section 7-2-18.4, 7-2-18.5, 7-2-18.8,
7 7-2-18.21, 7-2-18.27, 7-2A-15 or 7-2A-23 NMSA 1978 or a credit
8 pursuant to the Venture Capital Investment Act, but a portion
9 of the credit claimed remains unused, the taxpayer may claim
10 the unused portion, including amounts that could have been
11 carried forward pursuant to those sections or that act as they
12 were in effect prior to the effective date of this act.

13 SECTION 31. DELAYED REPEAL.--Sections 7-2-18.4, 7-2-18.5,
14 7-2-18.8, 7-2-18.21, 7-2-18.27, 7-2A-15, 7-2A-23, 7-2D-1,
15 7-2D-2 and 7-2D-4 through 7-2D-14 NMSA 1978 (being Laws 1994,
16 Chapter 115, Section 1, Laws 1998, Chapter 97, Section 2, Laws
17 2001, Chapter 73, Section 1, Laws 2007, Chapter 204, Section 7,
18 Laws 2011, Chapter 89, Section 1, Laws 1994, Chapter 115,
19 Section 2, Laws 2007, Chapter 204, Section 8, Laws 1993,
20 Chapter 313, Sections 1, 2 and 4 through 8, Laws 1995, Chapter
21 89, Section 8 and Laws 1993, Chapter 313, Sections 9 through
22 14, as amended) are repealed effective January 1, 2019.

23 SECTION 32. REPEAL.--Sections 7-9-65, 7-9-94 and 7-9-106
24 NMSA 1978 (being Laws 1969, Chapter 144, Section 56, Laws 2005,
25 Chapter 104, Section 23 and Laws 2007, Chapter 172, Section 8,

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as amended) are repealed.

SECTION 33. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2018.