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HOUSE BILL 282

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

INTRODUCED BY  
Jerry Sandel

AN ACT

RELATING TO TAXATION; DIRECTING THE TAXATION AND REVENUE  
DEPARTMENT TO ENTER INTO DISCUSSIONS WITH THE VARIOUS STATES  
REGARDING DEVELOPMENT OF A MULTISTATE, VOLUNTARY, STREAMLINED  
SYSTEM FOR SALES AND USE TAX COLLECTION AND ADMINISTRATION;  
REQUIRING REPORTS AND RECOMMENDATIONS.

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

Section 1. A new section of the Taxation and Revenue  
Department Act is enacted to read:

"[NEW MATERIAL] MULTISTATE DISCUSSION--DEVELOPMENT OF  
STREAMLINED SALES TAX SYSTEM--REPORTS--OVERSIGHT.--

A. Pursuant to a proposal by the national  
conference of state legislatures executive committee task  
force on state and local taxation of telecommunications and  
electronic commerce and the national governor's association,  
the department shall enter into discussions with the various

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1 states regarding development of a multistate, voluntary,  
2 streamlined system for sales and use tax collection and  
3 administration as provided in Subsection B of this section.

4 B. The discussions shall focus on a system that  
5 would have the capability to determine whether a transaction  
6 is taxable or tax exempt, the appropriate tax rate applied to  
7 the transaction and the total tax due on the transaction and  
8 shall provide a method for collecting and remitting sales and  
9 use taxes to the state. The system may provide compensation  
10 for the costs of collecting and remitting sales and use  
11 taxes. Discussions between the department and other states  
12 may include:

13 (1) the development of a "joint request for  
14 information" from potential and private parties governing the  
15 specifications for such a system;

16 (2) the mechanism for compensating parties  
17 for the development and operation of such a system;

18 (3) the establishment of minimum statutory  
19 simplification measures necessary for state participation in  
20 such a system; and

21 (4) measures to preserve confidentiality of  
22 taxpayer information and privacy rights of consumers.

23 C. The secretary or his designee shall bring to  
24 this discussion with other states all of the concerns and  
25 issues regarding New Mexico's gross receipts and compensating  
tax to determine how those taxes would be affected by such a  
system and whether or how they could be integrated into the

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1 system.

2 D. Unless specifically authorized by the  
3 legislature, the department shall not participate in a sales  
4 tax pilot project with other states and selected businesses  
5 to test means for simplifying sales and use tax  
6 administration. However, if, after consultation with the  
7 interim revenue stabilization and tax policy committee, the  
8 secretary believes it is in the best interests of the state  
9 to join other states in issuing a "joint request for  
10 information" regarding development of specifications for such  
11 a system, the secretary may do so.

12 E. The secretary shall report regularly to the  
13 interim revenue stabilization and tax policy committee and  
14 provide testimony and information as requested by the  
15 committee on the multistate discussions authorized in this  
16 section. The secretary shall also submit a written report to  
17 the governor and to the legislature by December 15 prior to  
18 each session of the forty-fifth legislature on the status of  
19 multistate discussions and, if a proposed system has been  
20 agreed upon by participating states, shall also recommend  
21 whether the state should participate in such a system."

22 Section 2. DELAYED REPEAL.--Section 1 of this act is  
23 repealed effective January 1, 2002.