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HOUSE BILL 490

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Patsy G. Trujillo

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION FOR SALES OF CERTAIN CLOTHING AND FOOTWEAR DURING A DESIGNATED THREE-DAY PERIOD IN AUGUST PRIOR TO THE BEGINNING OF EACH SCHOOL YEAR.

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

Section 1. A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

" [NEW MATERIAL] DEDUCTION-- GROSS RECEIPTS TAX-- SALE OF CERTAIN CLOTHING AND FOOTWEAR FOR LIMITED PERIOD. --

A. Receipts from the sale of an article of clothing or footwear designed to be worn on or about the human body may be deducted from gross receipts if:

(1) the sales price of the article is less than one hundred dollars (\$100); and

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 (2) the sale takes place during the period
2 beginning at 12:01 a.m. on the first Friday in August and
3 ending at midnight on the following Sunday.

4 B. The provisions of Subsection A of this section
5 do not apply to receipts from the sale of:

6 (1) any special clothing or footwear that is
7 primarily designed for athletic activity or protective use and
8 that is not normally worn except when used for the athletic
9 activity or protective use for which it is designed;

10 (2) accessories, including jewelry, handbags,
11 luggage, umbrellas, wallets, watches and similar items carried
12 on or about the human body, without regard to whether worn on
13 the body in a manner characteristic of clothing; and

14 (3) the rental of clothing or footwear. "

15 Section 2. EFFECTIVE DATE. -- The effective date of the
16 provisions of this act is July 1, 2001.