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SENATE BILL 8

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

INTRODUCED BY

Sue Wilson

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION FOR CERTAIN SOFTWARE SERVICES; ENACTING A NEW SECTION OF THE GROSS RECEIPTS AND COMPENSATING TAX ACT.

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 SOFTWARE SERVICES. --

A. The receipts of an eligible software company from the sale of software services that are performed in a qualified area may be deducted from gross receipts.

B. As used in this section:

(1) "eligible software company" means a taxpayer whose primary business in New Mexico is providing

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1 software services and who had no business location in New
2 Mexico other than in a qualified area during the period for
3 which a deduction under this section is sought;

4 (2) "qualified area" means an area within New
5 Mexico outside the boundaries of incorporated municipalities
6 with a population of more than forty thousand according to the
7 most recent federal decennial census; and

8 (3) "software services" means the development
9 of computer programming and the creation of internet web
10 sites. "

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