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SENATE BILL 428

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

INTRODUCED BY

Roman M. Maes III

AN ACT

RELATING TO RURAL ELECTRIC COOPERATIVES; PROVIDING THAT CERTAIN ACTIVITIES AND REVENUES OF RURAL ELECTRIC COOPERATIVES ARE SUBJECT TO TAXATION.

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

Section 1. Section 62-15-28 NMSA 1978 (being Laws 1939, Chapter 47, Section 28, as amended) is amended to read:

"62-15-28. TAXATION. - -

A. Cooperative and foreign corporations

transacting business in this state pursuant to the provisions of the Rural Electric Cooperative Act shall pay annually, on or before July 1, to the [~~state corporation commission~~] public regulation commission a tax of ten dollars (\$10.00) for each one hundred persons or fraction thereof to whom electricity is supplied within this state [~~which~~]. Except as provided in

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 Subsection B of this section, the tax shall be in lieu of all
2 other taxes except those provided in the Gross Receipts and
3 Compensating Tax Act; provided, however, that in the event a
4 contract has been entered into by a rural electric cooperative
5 and a power consumer prior to February 1, 1961 and such
6 contract does not contain an escalator clause providing for an
7 increase for added tax liability on the cooperative, then the
8 sale to such power consumer shall be exempt until the
9 expiration, extension or renewal of the contract.

10 B. The activities of a rural electric cooperative,
11 or of a subsidiary of a rural electric cooperative, not
12 directly related to the supplying of electric power are
13 subject to the same state and local taxes as any private
14 business engaged in the same activities. The revenues
15 received by a rural electric cooperative, or by a subsidiary
16 of a rural electric cooperative, from goods sold or services
17 provided not directly related to the supplying of electric
18 power are subject to the same state and local taxes as
19 revenues received by any private business selling the same
20 goods or providing the same services. As used in this
21 subsection, "subsidiary" means any person ten percent or more
22 of whose ownership interests are directly owned by a rural
23 electric cooperative."