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HOUSE BILL 430

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Al Park

AN ACT

RELATING TO GAMING TAXATION; DISTRIBUTING A PERCENTAGE OF
GAMING TAX REVENUES GENERATED BY RACETRACK GAMING OPERATOR
LICENSEES TO CERTAIN MUNICIPAL GOVERNMENTS TO PROVIDE FUNDS
FOR LOCAL INFRASTRUCTURE AND SERVICES.

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

Section 1. A new section of the Tax Administration Act
is enacted to read:

"[NEW MATERIAL] DISTRIBUTION--GAMING TAX.--A distribution
pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the
largest municipality in each county with a population greater
than four hundred thousand as shown by the most recent federal
decennial census and in which county is located a racetrack
gaming operator licensed pursuant to the Gaming Control Act.
The amount of the distribution shall equal eight percent of

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1 the net receipts attributable to the gaming tax paid by that
2 racetrack gaming operator licensee pursuant to Section
3 60-2E-47 NMSA 1978. "

4 Section 2. Section 60-2E-47 NMSA 1978 (being Laws 1997,
5 Chapter 190, Section 49, as amended by Laws 2001, Chapter 256,
6 Section 1 and also by Laws 2001, Chapter 262, Section 3) is
7 amended to read:

8 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION. --

9 A. An excise tax is imposed on the privilege of
10 engaging in gaming activities in the state. This tax shall be
11 known as the "gaming tax".

12 B. The gaming tax is an amount equal to ten
13 percent of the gross receipts of manufacturer licensees from
14 the sale, lease or other transfer of gaming devices in or into
15 the state, except receipts of a manufacturer from the sale,
16 lease or other transfer to a licensed distributor for
17 subsequent sale or lease may be excluded from gross receipts;
18 ten percent of the gross receipts of distributor licensees
19 from the sale, lease or other transfer of gaming devices in or
20 into the state; ten percent of the net take of a gaming
21 operator licensee that is a nonprofit organization; and
22 twenty-five percent of the net take of every other gaming
23 operator licensee. For the purposes of this section, "gross
24 receipts" means the total amount of money or the value of
25 other consideration received from selling, leasing or

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1 otherwise transferring gaming devices.

2 C. The gaming tax imposed on a licensee is in lieu
3 of all state and local gross receipts taxes on that portion of
4 the licensee's gross receipts attributable to gaming
5 activities.

6 D. The gaming tax is to be paid on or before the
7 fifteenth day of the month following the month in which the
8 taxable event occurs. The gaming tax shall be administered
9 and collected by the taxation and revenue department in
10 cooperation with the board. The provisions of the Tax
11 Administration Act apply to the collection and administration
12 of the tax.

13 E. In addition to the gaming tax, a gaming
14 operator licensee that is a racetrack shall pay twenty percent
15 of its net take to purses to be distributed in accordance with
16 rules adopted by the state racing commission. An amount not
17 to exceed twenty percent of the interest earned on the balance
18 of any fund consisting of money for purses distributed by
19 racetrack gaming operator licensees pursuant to this
20 subsection may be expended for the costs of administering the
21 distributions. A racetrack gaming operator licensee shall
22 spend no less than one-fourth of one percent of the net take
23 of its gaming machines to fund or support programs for the
24 treatment and assistance of compulsive gamblers.

25 F. A nonprofit gaming operator licensee shall

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1 distribute at least sixty percent of the balance of its net
2 take, after payment of the gaming tax and any income taxes,
3 for charitable or educational purposes.

4 G. A municipality receiving a percentage of gaming
5 tax revenues generated by a racetrack gaming operator licensee
6 from a distribution pursuant to Section 1 of this 2002 act
7 shall use those revenues for local government infrastructure
8 and services. "

9 Section 3. EFFECTIVE DATE. -- The effective date of the
10 provisions of this act is July 1, 2002.

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