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SENATE BILL 246

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

INTRODUCED BY

Kent L. Cravens

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS DEDUCTION FOR
COMMISSIONS OF DIRECT SELLERS.

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

Section 1. Section 7-9-66 NMSA 1978 (being Laws 1969,
Chapter 144, Section 57, as amended) is amended to read:

"7-9-66. DEDUCTION--GROSS RECEIPTS TAX--COMMISSIONS.--

A. Receipts derived from commissions on sales of
tangible personal property [~~which~~] that are not subject to the
gross receipts tax may be deducted from gross receipts.

B. Receipts of the owner of a dealer store derived
from commissions received for performing the service of
selling from the owner's dealer store a principal's tangible
personal property may be deducted from gross receipts.

C. Receipts of a direct seller derived from

underscored material = new
[bracketed material] = delete

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commissions may be deducted from gross receipts.

[~~C.~~] D. As used in this section:

(1) "dealer store" means a merchandise facility open to the public that is owned and operated by a person who contracts with a principal to act as an agent for the sale from that facility of merchandise owned by the principal; and

(2) "direct seller" has the meaning given in Section 3508 of the Internal Revenue Code of 1986, as amended. "

Section 2. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 2002.