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HOUSE BILL 29

**51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

INTRODUCED BY

James P. White and Carlos R. Cisneros

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS FOR SELLING AIRCRAFT PARTS OR MAINTENANCE SERVICES BY A CERTIFIED REPAIR STATION; DEFINING "CERTIFIED REPAIR STATION".

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

SECTION 1. Section 7-9-62 NMSA 1978 (being Laws 1969, Chapter 144, Section 52, as amended) is amended to read:

"7-9-62. DEDUCTION--GROSS RECEIPTS TAX--AGRICULTURAL IMPLEMENTS--AIRCRAFT MANUFACTURERS--VEHICLES THAT ARE NOT REQUIRED TO BE REGISTERED--AIRCRAFT PARTS AND MAINTENANCE SERVICES.--

A. Except for receipts deductible under Subsection B of this section, fifty percent of the receipts from selling agricultural implements, farm tractors, aircraft or vehicles that are not required to be registered under the Motor Vehicle

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1 Code may be deducted from gross receipts; provided that, with  
2 respect to agricultural implements, the sale is made to a  
3 person who states in writing that the person is regularly  
4 engaged in the business of farming or ranching. Any deduction  
5 allowed under Section 7-9-71 NMSA 1978 must be taken before the  
6 deduction allowed by this subsection is computed.

7 B. Receipts of an aircraft manufacturer or  
8 affiliate from selling aircraft or aircraft parts or from  
9 selling services performed on aircraft or aircraft components  
10 or from selling aircraft flight support, pilot training or  
11 maintenance training services may be deducted from gross  
12 receipts. Any deduction allowed under Section 7-9-71 NMSA 1978  
13 must be taken before the deduction allowed by this subsection  
14 is computed.

15 C. Receipts of a certified repair station from  
16 selling aircraft parts or maintenance services for which it is  
17 certified by the federal aviation administration may be  
18 deducted from gross receipts. Any deduction allowed under  
19 Section 7-9-71 NMSA 1978 must be taken before the deduction  
20 allowed by this subsection is computed.

21 [~~G.~~] D. As used in this section:

22 (1) "affiliate" means a business entity that  
23 directly or indirectly through one or more intermediaries  
24 controls, is controlled by or is under common control with the  
25 aircraft manufacturer;

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1 (2) "agricultural implement" means a tool,  
2 utensil or instrument that is depreciable for federal income  
3 tax purposes and that is:

4 (a) designed to irrigate agricultural  
5 crops above ground or below ground at the place where the crop  
6 is grown; or

7 (b) designed primarily for use with a  
8 source of motive power, such as a tractor, in planting,  
9 growing, cultivating, harvesting or processing agricultural  
10 crops at the place where the crop is grown; in raising poultry  
11 or livestock; or in obtaining or processing food or fiber, such  
12 as eggs, milk, wool or mohair, from living poultry or livestock  
13 at the place where the poultry or livestock are kept for this  
14 purpose; [~~and~~

15 ~~(c) depreciable for federal income tax~~  
16 ~~purposes;]~~

17 (3) "aircraft manufacturer" means a business  
18 entity that in the ordinary course of business designs and  
19 builds private or commercial aircraft certified by the federal  
20 aviation administration;

21 (4) "business entity" means a corporation,  
22 limited liability company, partnership, limited partnership,  
23 limited liability partnership or real estate investment trust,  
24 but does not mean an individual or a joint venture;

25 (5) "certified repair station" means a person

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1 or entity that holds a valid repair station certificate issued  
2 to the person or entity by the federal aviation administration;

3 [~~(5)~~] (6) "control" means equity ownership in  
4 a business entity that:

5 (a) represents at least fifty percent of  
6 the total voting power of that business entity; and

7 (b) has a value equal to at least fifty  
8 percent of the total equity of that business entity; and

9 [~~(6)~~] (7) "flight support" means providing  
10 navigation data, charts, weather information, online  
11 maintenance records and other aircraft or flight-related  
12 information and the software needed to access the information."

13 SECTION 2. EFFECTIVE DATE.--The effective date of the  
14 provisions of this act is July 1, 2013.