

1 HOUSE BILL 223

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 Larry A. Larrañaga

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A DEDUCTION FOR A TEN-YEAR  
12 PERIOD FROM THE GROSS RECEIPTS TAX FOR SERVICES PROVIDED TO THE  
13 UNITED STATES DEPARTMENT OF DEFENSE RELATED TO DIRECTED ENERGY  
14 OR SATELLITES; REQUIRING AN ANNUAL REPORT.

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

17 SECTION 1. A new section of the Gross Receipts and  
18 Compensating Tax Act is enacted to read:

19 "[NEW MATERIAL] DEDUCTION--TEN-YEAR PERIOD--GROSS RECEIPTS  
20 TAX--SERVICES AND PRODUCTS FOR THE DEPARTMENT OF DEFENSE  
21 RELATED TO DIRECTED ENERGY AND SATELLITES--REPORTING.--

22 A. For transactions that are subject to the gross  
23 receipts tax during the period beginning July 1, 2013 and  
24 ending June 30, 2023:

25 (1) receipts from the sale of research and

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1 development services related to directed energy or satellites  
2 when sold pursuant to a contract with the United States  
3 department of defense may be deducted from gross receipts; and

4 (2) receipts from the sale of directed energy  
5 and satellite-related inputs when sold to a contractor  
6 providing research and development services related to directed  
7 energy or satellites pursuant to a contract with the United  
8 States department of defense may be deducted from gross  
9 receipts.

10 B. The purpose of the deductions allowed in this  
11 section is to promote new and sophisticated technology, enhance  
12 the viability of existing directed energy and satellite  
13 projects and attract new projects to New Mexico with  
14 concomitant high-technology employment opportunities.

15 C. The department shall annually report to the  
16 revenue stabilization and tax policy committee the aggregate  
17 amount of deductions taken pursuant to this section, the  
18 number of taxpayers claiming each of the deductions and any  
19 other information that is necessary to determine that the  
20 deductions are performing the purposes for which they are  
21 enacted.

22 D. As used in this section:

23 (1) "directed energy" means a system,  
24 including related services, that enables the use of the  
25 frequency spectrum, including radio waves, light and x-rays;

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underscoring material = new  
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1                   (2) "directed energy and satellite-related  
2 inputs" means systems, subsystems, components, prototypes and  
3 demonstrators or products and services involving optics,  
4 photonics, electronics, advanced materials,  
5 nanoelectromechanical and microelectromechanical systems,  
6 fabrication materials, test evaluation and computer control  
7 systems related to directed energy or satellites; and

8                   (3) "satellite" means composite systems  
9 assembled and packaged for use in space, including launch  
10 vehicles and related products and services."

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