

HOUSE BILL 235

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; EXTENDING THE GROSS RECEIPTS TAX
DEDUCTION FOR TRADE-SUPPORT COMPANIES IN A BORDER ZONE FOR SIX
YEARS; DECLARING AN EMERGENCY.

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

SECTION 1. Section 7-9-56.3 NMSA 1978 (being Laws 2003,
Chapter 232, Section 1, as amended) is amended to read:

"7-9-56.3. DEDUCTION--GROSS RECEIPTS--TRADE-SUPPORT
COMPANY IN A BORDER ZONE.--

A. The receipts of a trade-support company may be
deducted from gross receipts if:

(1) the trade-support company first locates in
New Mexico within twenty miles of a port of entry on New
Mexico's border with Mexico on or after July 1, 2003 but before
July 1, [~~2013~~] 2019;

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1 (2) the receipts are received by the company
2 within a five-year period beginning on the date the trade-
3 support company locates in New Mexico and the receipts are
4 derived from its business activities and operations at its
5 border zone location; and

6 (3) the trade-support company employs at least
7 two employees in New Mexico.

8 B. As used in this section:

9 (1) "employee" means an individual, other than
10 an individual who:

11 (a) bears any of the relationships
12 described in Paragraphs (1) through (8) of 26 U.S.C. Section
13 152(a) to the employer or, if the employer is a corporation, to
14 an individual who owns, directly or indirectly, more than fifty
15 percent in value of the outstanding stock of the corporation
16 or, if the employer is an entity other than a corporation, to
17 an individual who owns, directly or indirectly, more than fifty
18 percent of the capital and profits interests in the entity;

19 (b) if the employer is an estate or
20 trust, is a grantor, beneficiary or fiduciary of the estate or
21 trust or is an individual who bears any of the relationships
22 described in Paragraphs (1) through (8) of 26 U.S.C. Section
23 152(a) to a grantor, beneficiary or fiduciary of the estate or
24 trust; or

25 (c) is a dependent, as that term is

underscoring material = new
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1 described in 26 U.S.C. Section 152(a)(9), of the employer, or,
2 if the taxpayer is a corporation, of an individual who owns,
3 directly or indirectly, more than fifty percent in value of the
4 outstanding stock of the corporation or, if the employer is an
5 entity other than a corporation, an individual who owns,
6 directly or indirectly, more than fifty percent of the capital
7 and profits interests in the entity or, if the employer is an
8 estate or trust, of a grantor, beneficiary or fiduciary of the
9 estate or trust;

10 (2) "port of entry" means an international
11 port of entry in New Mexico at which customs services are
12 provided by United States customs and border protection; and

13 (3) "trade-support company" means a customs
14 brokerage firm or a freight forwarder."

15 SECTION 2. EMERGENCY.--It is necessary for the public
16 peace, health and safety that this act take effect immediately.

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