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HOUSE BILL 559

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

INTRODUCED BY

Tim D. Lewis

AN ACT

RELATING TO TAXATION; PROVIDING FOR A GROSS RECEIPTS TAX CREDIT FOR SMALL BUSINESSES.

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

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

"[NEW MATERIAL] TAX CREDIT--REFUND--GROSS RECEIPTS--SMALL BUSINESS.--

A. A small business that files a gross receipts tax return may, by April 15 of each calendar year, claim a tax credit in the appropriate amount shown in the following table against the state portion of gross receipts tax paid during the 2013 through 2017 calendar years. If total gross receipts in the previous calendar year were:

Over: But not over: The tax credit shall be:

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1	\$0	\$40,000	1.00 x gross receipts tax paid
2	\$40,000	\$45,000	0.88 x gross receipts tax paid
3	\$45,000	\$50,000	0.76 x gross receipts tax paid
4	\$50,000	\$55,000	0.64 x gross receipts tax paid
5	\$55,000	\$60,000	0.52 x gross receipts tax paid
6	\$60,000	\$65,000	0.39 x gross receipts tax paid
7	\$65,000	\$70,000	0.26 x gross receipts tax paid
8	\$70,000	\$75,000	0.12 x gross receipts tax
9			paid.

10 B. The tax credit provided for in this section
11 shall first be deducted from the taxpayer's gross receipts tax
12 liability. If the tax credit exceeds the taxpayer's gross
13 receipts tax liability, the excess shall be refunded to the
14 taxpayer. The tax credit shall not be transferred to another
15 taxpayer.

16 C. The taxpayer shall claim the refund on a form
17 provided by the department. The department shall refund the
18 amount of the tax credit in excess of the gross receipts tax
19 liability within one hundred twenty days after the date the
20 taxpayer claimed the tax credit.

21 D. The purpose of the tax credit provided in this
22 section is to help support small businesses in New Mexico and
23 promote job creation.

24 E. The tax credit provided pursuant to this section
25 shall be stated separately by the taxpayer on a form provided

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1 by the department.

2 F. The department shall annually report to the
3 revenue stabilization and tax policy committee the aggregate
4 amount of tax credits taken pursuant to this section, the
5 number of taxpayers claiming the tax credit and any other
6 information that is necessary to determine that the tax credit
7 is performing the purpose for which it was enacted.

8 G. As used in this section, "small business" means
9 a business:

10 (1) with fewer than ten employees, including
11 all persons for whom the business pays part or all of the
12 person's social security taxes due pursuant to the Federal
13 Insurance Contributions Act; and

14 (2) that has paid gross receipts taxes
15 pursuant to the provisions of the Gross Receipts and
16 Compensating Tax Act for at least twelve months prior to the
17 first year in which a credit pursuant to this section is
18 taken."