

1 HOUSE BILL 246

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 David E. Adkins

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS
12 FOR RETAIL SALES BY A BUSINESS AND FOR FOOD SALES BY A
13 RESTAURANT IF THE BUSINESS OR RESTAURANT HAS AN AVERAGE REVENUE
14 OF LESS THAN ONE MILLION DOLLARS (\$1,000,000).

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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--GROSS RECEIPTS TAX--RETAIL
20 SALES BY CERTAIN BUSINESSES.--

21 A. Prior to July 1, 2019, receipts from the sale at
22 retail of tangible personal property or from the sale of food
23 at a restaurant may be deducted if:

24 (1) the sale occurs during the period
25 beginning at 12:01 a.m. on the first Saturday after

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1 thanksgiving day and ending at midnight on the same Saturday;
2 and

3 (2) the sale is made by a seller that, in the
4 most recent five years, has an average of gross annual revenues
5 of less than one million dollars (\$1,000,000) per year.

6 B. The purpose of the deduction provided by this
7 section is to increase sales at small, local businesses and
8 restaurants.

9 C. A taxpayer allowed a deduction pursuant to this
10 section shall report the amount of the deduction separately in
11 a manner required by the department.

12 D. The department shall compile an annual report on
13 the deduction provided by this section that shall include the
14 number of taxpayers that claimed the deduction, the aggregate
15 amount of deductions claimed and any other information
16 necessary to evaluate the effectiveness of the deduction.
17 Beginning in 2018, the department shall compile and present the
18 annual reports to the revenue stabilization and tax policy
19 committee and the legislative finance committee with an
20 analysis of the effectiveness and cost of the deduction and
21 whether the deduction is performing the purpose for which it
22 was created.

23 E. As used in this section, "restaurant" means an
24 establishment where meals are prepared and may be served for
25 on-premises consumption and that has a kitchen and the

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underscoring material = new
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1 employees necessary for preparing, cooking and serving meals."

2 SECTION 2. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2015.

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