SENATE BILL 99

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

INTRODUCED BY

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FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS DEDUCTION FOR RECEIPTS FROM THE SALE OF CERTAIN CYBERSECURITY DEVICES.

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] DEDUCTION--GROSS RECEIPTS--CYBERSECURITY DEVICES.--

A. Prior to July 1, 2025, receipts from the sale of a cybersecurity device that is a port locking device, a port monitoring device or a port monitoring software application may be deducted from gross receipts.

B. The purpose of the deduction provided by this section is to create jobs in the state in the field of cybersecurity by encouraging businesses that provide defensive

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1   barriers for protecting computer systems and networks to move

2   to New Mexico.

3   C.   A taxpayer allowed a deduction pursuant to this

4   section shall report the amount of the deduction separately in

5   a manner required by the department.

6   D.   The department shall compile an annual report on

7   the deduction provided by this section that shall include the

8   number of taxpayers that claimed the deduction, the aggregate

9   amount of deductions claimed and any other information

10   necessary to evaluate the effectiveness of the deduction.

11   Beginning in 2018 and every three years thereafter that the

12   deduction is in effect, the department shall compile and

13   present the annual reports to the revenue stabilization and tax

14   policy committee and the legislative finance committee with an

15   analysis of the effectiveness and cost of the deduction and

16   whether the deduction is performing the purpose for which it

17   was created.

18   E.   For purposes of this section:

19   (1)   "port locking device" means a physical

20   device that:

21   (a)   is a lock that is inserted into and

22   blocks access to an open or unused port of a computer or

23   portable computer device;

24   (b)   can be unlocked only with a unique

25   password; and

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1   (c)   meets the standards required by the

2   Federal Information Security Management Act of 2002, as that

3   act may be amended, for security categorization of federal

4   information and information systems and for minimum security

5   requirements for information and information systems supporting

6   federal agencies and risk-based processes;

7   (2)   "port monitoring device" means a physical

8   device that:

9   (a)   prevents unauthorized access to a

10   computer or portable computer device by monitoring a port of a

11   computer or portable computer device that is in use by a

12   removable media device;

13   (b)   is a lock that is inserted into an

14   open or unused port of a computer or portable computer device

15   and can connect removable media to the computer or portable

16   computer device;

17   (c)   will lock the port if the removable

18   media device is removed from the port without a password and

19   block the port from accepting any other removable media device;

20   (d)   can be unlocked only with a unique

21   password; and

22   (e)   meets the standards required by the

23   Federal Information Security Management Act of 2002, as that

24   act may be amended, for security categorization of federal

25   information and information systems and for minimum security

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1 requirements for information and information systems supporting

2 federal agencies and risk-based processes; and

3 (3) "port monitoring software application"

4 means a software application that can monitor all of the ports

5 on a network or individual computer or portable computer device

6 that can:

7 (a) disallow removable media when

8 connected to a computer or portable computer device through a

9 port;

10 (b) record the date, time, user,

11 computer and the name, manufacturer, serial number, file name

12 and size of the removable media;

13 (c) send notification when an

14 unauthorized removable media device is connected to a computer

15 or portable computer device; and

16 (d) meets the standards required by the

17 Federal Information Security Management Act of 2002, as that

18 act may be amended, for security categorization of federal

19 information and information systems and for minimum security

20 requirements for information and information systems supporting

21 federal agencies and risk-based processes."

22 SECTION 2. EFFECTIVE DATE.--The effective date of the

23 provisions of this act is July 1, 2015.

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