

1 SENATE BILL 226

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

3 INTRODUCED BY

4 John Arthur Smith

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING THAT ALL RECEIPTS FROM THE SALE
12 OF FINE ART ARE TO BE REPORTED FROM THE PLACE WHERE THE ART IS
13 SOLD; DISTRIBUTING REVENUE ATTRIBUTABLE TO THE SALE OF FINE ART
14 TO THE CULTURAL AFFAIRS DEPARTMENT FOR THREE YEARS.

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

17 SECTION 1. Section 7-1-14 NMSA 1978 (being Laws 1969,
18 Chapter 145, Section 1, as amended) is amended to read:

19 "7-1-14. SECRETARY MAY DETERMINE WHERE CERTAIN GROSS
20 RECEIPTS ARE TO BE REPORTED--PLACE OF BUSINESS FOR CONSTRUCTION
21 PROJECTS [~~AND~~], CERTAIN REAL PROPERTY SALES AND FINE ART
22 SALES.--

23 A. By regulation, the secretary may require any
24 person maintaining one or more places of business to report the
25 person's taxable gross receipts and deductions for each

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underscoring material = new
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1 municipality or county or area within an Indian reservation or
2 pueblo grant in which the person maintains a place of business.

3 B. For persons engaged in the construction
4 business, the place where the construction project is performed
5 is a "place of business", and all receipts from that project
6 are to be reported from that place of business.

7 C. The secretary may, by regulation, also require
8 any person maintaining a business outside the boundaries of a
9 municipality on land owned by that municipality to report the
10 person's taxable gross receipts for that municipality.

11 D. For a person engaged in the business of selling
12 real estate, the location of the real property sold is the
13 "place of business", and all receipts from that sale are to be
14 reported from that place of business.

15 E. For a person engaged in the business of selling
16 fine art, the location of the seller's business from which the
17 fine art is sold is a "place of business", and all receipts
18 from that sale are to be reported from that place of business.

19 F. For purposes of this section, "fine art" means
20 any original work of visual or graphic art of any media,
21 including any painting, print, drawing, sculpture, craft,
22 object, photograph, audio or video recording, film or hologram
23 or any combination of such media of recognized quality."

24 SECTION 2. A new section of the Tax Administration Act is
25 enacted to read:

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"[NEW MATERIAL] DISTRIBUTION--CULTURAL AFFAIRS DEPARTMENT FROM GROSS RECEIPTS TAX.--Prior to July 1, 2019, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the cultural affairs department in an amount equal to three and nine-tenths percent of the taxable gross receipts attributable to the sale of fine art by a person engaged in the business of selling fine art and reported pursuant to Subsection E of Section 7-1-14 NMSA 1978."

SECTION 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2016.