

HOUSE BILL 176

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; CREATING GROSS RECEIPTS AND COMPENSATING
TAX DEDUCTIONS FOR BROADBAND TELECOMMUNICATIONS NETWORK
FACILITIES COMPONENTS.

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 AND COMPENSATING
TAX--BROADBAND TELECOMMUNICATIONS NETWORK FACILITIES
COMPONENTS.--

A. Before July 1, 2028, the value of broadband
telecommunications network facilities components may be
deducted in computing compensating tax due.

B. Before July 1, 2028, receipts from the sale or
lease of broadband telecommunications network facilities

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1 components may be deducted from gross receipts.

2 C. The purpose of the deductions provided by this
3 section is to promote the deployment of broadband
4 telecommunications services in New Mexico.

5 D. A taxpayer allowed a deduction provided by this
6 section shall report the amount of the deduction separately and
7 as required by the department.

8 E. The department shall compile an annual report on
9 the deductions provided by this section that includes the
10 number of taxpayers that claimed the deduction, the aggregate
11 amount of deductions claimed and any other information
12 necessary to evaluate the effectiveness of the deductions. The
13 department shall present the annual report to the revenue
14 stabilization and tax policy committee and the legislative
15 finance committee with an analysis of the effectiveness and
16 cost of the deductions and whether they are performing the
17 purpose for which they were created.

18 F. As used in this section, "broadband
19 telecommunications network facilities" means the switching
20 equipment, transmission facilities, fiber-optic and copper
21 cables and other items related to a system capable
22 of transmitting internet protocol or other formatted data at
23 transmission speeds that meet federal communications commission
24 connect America fund standards, all of which will be owned or
25 used by a provider of internet access services."

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SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2019.