

HOUSE BILL 179

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Doreen Y. Gallegos and Linda Serrato and Pamelya Herndon
and Patricia A. Lundstrom and D. Wonda Johnson

AN ACT

RELATING TO TAXATION; EXTENDING THE SUNSET DATE FOR A GROSS
RECEIPTS TAX DEDUCTION FOR RETAIL SALES MADE BY CERTAIN
BUSINESSES ON THE FIRST SATURDAY AFTER THANKSGIVING.

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

SECTION 1. Section 7-9-116 NMSA 1978 (being Laws 2018,
Chapter 46, Section 1, as amended) is amended to read:

"7-9-116. DEDUCTION--GROSS RECEIPTS TAX--RETAIL SALES BY
CERTAIN BUSINESSES.--

A. Prior to July 1, [2025] 2030, receipts from the
sale at retail of the following types of tangible personal
property may be deducted if the sales price of the property is
less than five hundred dollars (\$500) and:

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

.229710.1

underscored material = new
[bracketed material] = delete

1 Thanksgiving and ending at midnight on the same Saturday;

2 (2) the sale is for:

3 (a) an article of clothing or footwear
4 designed to be worn on or about the human body;

5 (b) accessories, including jewelry,
6 handbags, book bags, backpacks, luggage, wallets, watches and
7 similar items worn or carried on or about the human body,
8 without regard to whether worn on the body in a manner
9 characteristic of clothing;

10 (c) sporting goods and camping
11 equipment;

12 (d) tools used for home improvement,
13 gardening and automotive maintenance and repair;

14 (e) books, journals, paper, writing
15 instruments, art supplies, greeting cards and postcards;

16 (f) works of art, including any
17 painting, drawing, print, photograph, sculpture, pottery or
18 ceramics, carving, textile, basketry, artifact, natural
19 specimen, rare book, authors' papers, objects of historical or
20 technical interest or other article of intrinsic cultural
21 value;

22 (g) floral arrangements and indoor
23 plants;

24 (h) cosmetics and personal grooming
25 items;

.229710.1

1 (i) musical instruments;
2 (j) cookware and small home appliances
3 for residential use;

4 (k) bedding, towels and bath
5 accessories;

6 (l) furniture;

7 (m) a toy or game that is a physical
8 item, product or object clearly intended and designed to be
9 used by children or families in play;

10 (n) a video game or video game console
11 and any associated accessories for the video game console; or

12 (o) home electronics such as computers,
13 phones, tablets, stereo equipment and related electronics
14 accessories; and

15 (3) the sale is made by a seller that carries
16 on a trade or business in New Mexico, maintains its primary
17 place of business in New Mexico, as determined by the
18 department, and employed no more than ten employees at any one
19 time during the previous fiscal year.

20 B. Receipts for sales made by a business that
21 operates under a franchise agreement may not be deducted
22 pursuant to this section.

23 C. The purpose of the deduction provided by this
24 section is to increase sales at small local businesses.

25 D. A taxpayer allowed a deduction pursuant to this

underscoring material = new
[bracketed material] = delete

1 section shall report the amount of the deduction separately in
2 a manner required by the department.

3 E. ~~The [department shall compile an annual report~~
4 ~~on the deduction provided by this section that shall include~~
5 ~~the number of taxpayers that claimed the deduction, the~~
6 ~~aggregate amount of deductions claimed and any other~~
7 ~~information necessary to evaluate the effectiveness of the~~
8 ~~deduction. The department shall present the annual report to~~
9 ~~the revenue stabilization and tax policy committee and the~~
10 ~~legislative finance committee with an analysis of the~~
11 ~~effectiveness and cost of the deduction and whether the~~
12 ~~deduction is performing the purpose for which it was created]~~
13 deduction provided by this section shall be included in the tax
14 expenditure budget pursuant to Section 7-1-84 NMSA 1978,
15 including the total annual aggregate cost of the deduction."

16 - 4 -