AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION FOR RECEIPTS FROM ADMINISTRATIVE AND ACCOUNTING SERVICES PROVIDED TO AFFILIATED BUSINESS ENTITIES.

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

Section 1. Section 7-9-69 NMSA 1978 (being Laws 1969, Chapter 144, Section 61, as amended) is amended to read:

"7-9-69. DEDUCTION--GROSS RECEIPTS TAX--ADMINISTRATIVE AND ACCOUNTING SERVICES.--

A. Receipts of a corporation for administrative, managerial and accounting services performed by it for an affiliated corporation or affiliated limited partnership upon a nonprofit or cost basis and receipts from an affiliated corporation or affiliated limited partnership for the joint use or sharing of office machines and facilities upon a nonprofit or

1   cost basis may be deducted from gross receipts.

2   B.   For the purposes of this section:

3   (1)   "affiliated limited partnership" means a

4   limited partnership that directly or indirectly through one or

5   more intermediaries controls, is controlled by or is under

6   common control with the subject corporation.   For purposes of

7   this paragraph, "control" means ownership of an interest in a

8   limited partnership that:

9   (a)   represents at least fifty percent of

10   the total voting power of that corporation; and

11   (b)   has a value equal to at least fifty

12   percent of the total value of that limited partnership; and

13   (2)   "affiliated corporation" means a

14   corporation that directly or indirectly through one or more

15   intermediaries controls, is controlled by or is under common

16   control with the subject corporation.   For the purposes of this

17   [subsection] paragraph, "control" means ownership of stock in a

18   corporation [which] that:

19   [(1)] (a)   represents at least fifty percent of

20   the total voting power of that corporation; and

21   [(2)] (b)   has a value equal to at least fifty

22   percent of the total value of the stock of that corporation."

23   Section 2.   APPLICABILITY.--The provisions of this act

24   apply to receipts received after July 1, 1996.

25   Section 3.   EFFECTIVE DATE.--The effective date of the

.108902.2

- 2 -

1   provisions of this act is July 1, 1996.

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.108902.2

FORTY-SECOND LEGISLATURE

SECOND SESSION, 1996

JANUARY 26, 1996

Mr. President:

Your **COMMITTEES' COMMITTEE**, to whom has been referred

SENATE BILL 292

has had it under consideration and finds same to be **GERMANE**, PURSUANT

TO CONSTITUTIONAL PROVISIONS, and thence referred to the **WAYS AND**

MEANS COMMITTEE.

Respectfully submitted,

_____

SENATOR MANNY M ARAGON, Chairman

.108902.2

Adopted_____   Not Adopted_____

1   (Chief Clerk)   (Chief Clerk)

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4   Date _____

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Underscored material = new
[bracketed material] = delete

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FORTY-SECOND LEGISLATURE

SECOND SESSION, 1996

February 9, 1996

Mr. President:

Your **WAYS AND MEANS COMMITTEE**, to whom has been referred

SENATE BILL 292

has had it under consideration and reports same with recommendation that

it **DO PASS**, and thence referred to the **FINANCE COMMITTEE.**

Respectfully submitted,

_____

TITO D. CHAVEZ, Chairman

Adopted_____   Not Adopted_____

.108902.2

(Chief Clerk)   (Chief Clerk)

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2   Date _____

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5   The roll call vote was 7 For 0 Against

6   Yes: 7

7   No: 0

8   Excused: Romero

9   Absent: None

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FORTY-SECOND LEGISLATURE

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SECOND SESSION, 1996

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6   February 12, 1996

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8 Mr. President:

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10   Your **FINANCE COMMITTEE**, to whom has been referred

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12   **SENATE BILL 292**

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has had it under consideration and reports same with recommendation that

15

16 it **DO PASS**.

17

18   Respectfully submitted,

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23   **Ben D. Altamirano, Chairman**

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Adopted_____   Not Adopted_____

.108902.2

(Chief Clerk)   (Chief Clerk)

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3   Date _____

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6   The roll call vote was _8_ For _0_ Against

7   Yes: 8

8   No: 0

9   Excused: Donisthorpe, Duran, Ingle, Kidd, Kysar

10   Absent: None

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State of New Mexico

House of Representatives

FORTY-SECOND LEGISLATURE

SECOND SESSION, 1996

February 14, 1996

Mr. Speaker:

   Your **TAXATION AND REVENUE COMMITTEE,** to whom has been
referred

SENATE BILL 292

has had it under consideration and reports same with
recommendation that it **DO PASS.**

Respectfully submitted,

_____

Jerry W Sandel, Chairman

. 108902. 2

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2   Adopted _____   Not Adopted _____

3   (Chief Clerk)   (Chief Clerk)

4   Date _____

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6   The roll call vote was 8 For 0 Against

7   Yes: 8

8   Excused: None

9   Absent: Crook, Gonzales, Parsons, Ryan, Stell

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