

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE MEMORIAL 38

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Max Coll

A MEMORIAL

REQUESTING THE NEW MEXICO CONGRESSIONAL DELEGATION TO
INTRODUCE LEGISLATION TO REINSTATE THE FEDERAL INCOME TAX
DEDUCTION FOR STATE SALES AND GROSS RECEIPTS TAXES.

WHEREAS, the Internal Revenue Code of 1986 currently allows a federal individual
income tax deduction for state property taxes and state income taxes but has eliminated the
deduction for state sales or gross receipts taxes; and

WHEREAS, this unequal treatment of state taxes results in significant differences in the
amount of federal income tax paid on similar income by taxpayers in New Mexico as compared
to taxpayers in states which do not have comparable sales or gross receipts taxes; and

WHEREAS, the New Mexico tax system relies heavily on gross receipts taxes and
accordingly the loss of the federal deduction for gross receipts taxes has had a particularly
severe impact on the tax burden of New Mexico residents; and WHEREAS, the deduction
for state sales or gross receipts taxes was eliminated at a time when the congress of the United
States felt obligated to increase federal revenues; and

WHEREAS, this pressure is no longer present due to the federal budget surplus; and

underscored material = new
[bracketed material] = delete

1 WHEREAS, the congress of the United States is contemplating tax reductions and other
2 changes in the federal income tax; and

3 WHEREAS, restoration of the federal income tax deduction for gross receipts taxes
4 would result in a significant reduction in federal income taxes for many New Mexico citizens
5 and would be of much greater benefit than other income tax reduction alternatives being
6 considered;

7 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
8 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the New Mexico
9 congressional delegation be requested to seek amendment of the Internal Revenue Code of 1986
10 to reinstate the deduction for state sales and gross receipts taxes; and

11 BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the
12 members of the New Mexico congressional delegation, the speaker and the minority leader of
13 the United States house of representatives and the majority leader and the minority leader of the
14 United States senate.

15
16
17
18
19
20
21
22
23
24
25

underscored material = new
[bracketed material] = delete

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
3
4

5
6 March 12, 1999
7

8
9 Mr. Speaker:

10 Your **TAXATION AND REVENUE COMMITTEE**, to whom has
11 been referred
12

13 **HOUSE MEMORIAL 38**
14

15 has had it under consideration and reports same with recommendation that it **DO PASS**.
16

17 Respectfully submitted,
18

19
20
21 _____
22 **Jerry W. Sandel, Chairman**
23
24
25

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999

3 HTRC/HM 38

Page 4

4

5 Adopted _____ Not Adopted _____

6

(Chief Clerk)

(Chief Clerk)

7

8

Date _____

9

10 The roll call vote was 12 For 0 Against

11

Yes: 12

12

Excused: None

13

Absent: Sandoval, Stell, Tripp

14

15

f:\99BillsWP\hm038

16

17

18

19

20

21

22

23

24

25

underscored material = new
[bracketed material] = delete