

**FORTY-FOURTH LEGISLATURE
SECOND SESSION**

February 16, 2000

Mr. President:

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

HOUSE BILL 262, as amended

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. Strike House Taxation and Revenue Committee Amendments 11 and 12.
2. On page 5, line 8, strike "five" and insert in lieu thereof "three".
3. On page 5, line 12, strike "five" and insert in lieu thereof "three".
4. On page 8, between line 16 and 17, insert the following new sections:

"Section 11. RECAPTURE.--If the taxpayer or a successor in business of the taxpayer ceases operations in New Mexico for at least one hundred eighty consecutive days within a two-year period after the taxpayer has claimed a basic credit or an additional credit at a facility with respect to which the taxpayer has claimed the basic credit or the additional credit, the department shall grant no further basic credit or additional credit to the taxpayer with respect to that facility. In addition, any amount of approved basic credit not claimed against the taxpayer's gross receipts tax, compensating tax or withholding tax and any amount of approved additional credit not claimed against the taxpayer's income tax or corporate income tax shall be extinguished, and within thirty days after the one hundred eightieth day of the cessation of operations, the taxpayer shall pay the amount of any gross receipts tax, compensating tax or withholding tax for which an approved basic credit was taken and any income tax or corporate income tax against which an approved additional credit was taken. For purposes of this section, a taxpayer shall not be deemed to have ceased operations during reasonable periods for

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maintenance or retooling or for the repair or replacement of facilities damaged or destroyed or during the continuance of labor disputes.

Section 12. DEPARTMENT REPORT.-- In October 2003 and each year thereafter, the department shall report to the legislative finance committee and the revenue stabilization and tax policy committee on the fiscal and economic impacts of the Technology Jobs Tax Credit Act using the most recently available data for the two prior fiscal years. The report shall include the number of taxpayers who have received basic credits or additional credits under the Technology Jobs Tax Credit Act, the amounts of the basic credits and additional credits, the geographic locations of the qualified facilities and the payroll increases of taxpayers related to additional credits, subject to the confidentiality provisions of Section 7-1-8 NMSA 1978."

5. Renumber the succeeding section accordingly.

Respectfully submitted,

Ben D. Altamirano, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against
Yes: 8
No: None

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Absent: None

Excused: Ingle, Lyons, McKibben, Tsosie, Wilson