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HOUSE BILL 337

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY
Stevan Pearce

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS AND
COMPENSATING TAX DEDUCTION FOR AGRICULTURAL IMPLEMENTS AND
TRACTORS.

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

Section 1. Section 7-9-62 NMSA 1978 (being Laws 1969,
Chapter 144, Section 52, as amended) is amended to read:

"7-9-62. DEDUCTION--GROSS RECEIPTS TAX--AGRICULTURAL
IMPLEMENTS--AIRCRAFT--VEHICLES THAT ARE NOT REQUIRED TO BE
REGISTERED.--

A. [~~Fifty percent of~~] The receipts from selling
agricultural implements and farm tractors and fifty percent
of the receipts from selling aircraft or vehicles that are
not required to be registered under the Motor Vehicle Code
may be deducted from gross receipts; provided that, with
respect to agricultural implements, the sale is made to a

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1 person who states in writing that the person is regularly
2 engaged in the business of farming or ranching. Any
3 deduction allowed under Section 7-9-71 NMSA 1978 must be
4 taken before the deduction allowed by this section is
5 computed.

6 B. As used in this section, "agricultural
7 implement" means a tool, utensil or instrument that is:

8 (1) designed primarily for use with a source
9 of motive power, such as a tractor, in planting, growing,
10 cultivating, harvesting or processing agricultural produce at
11 the place where the produce is grown; in raising poultry or
12 livestock; or in obtaining or processing food or fiber, such
13 as eggs, milk, wool or mohair, from living poultry or
14 livestock at the place where the poultry or livestock are
15 kept for this purpose; and

16 (2) depreciable for federal income tax
17 purposes."

18 Section 2. Section 7-9-77 NMSA 1978 (being Laws 1966,
19 Chapter 47, Section 15, as amended) is amended to read:

20 "7-9-77. DEDUCTIONS--COMPENSATING TAX.--

21 A. [~~Fifty percent of~~] The value of agricultural
22 implements and farm tractors and fifty percent of the value
23 of aircraft not exempted under Section 7-9-30 NMSA 1978 or
24 vehicles that are not required to be registered under the
25 Motor Vehicle Code may be deducted from the value in
computing the compensating tax due; provided that, with
respect to use of agricultural implements, the person using

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1 the property is regularly engaged in the business of farming
2 or ranching. Any deduction allowed under Subsection B of
3 this section is to be taken before the deduction allowed by
4 this subsection is computed. As used in this subsection,
5 "agricultural implement" means a tool, utensil or instrument
6 that is:

7 (1) designed primarily for use with a source
8 of motive power, such as a tractor, in planting, growing,
9 cultivating, harvesting or processing agricultural produce at
10 the place where the produce is grown; in raising poultry or
11 livestock; or in obtaining or processing food or fiber, such
12 as eggs, milk, wool or mohair, from living poultry or
13 livestock at the place where the poultry or livestock are
14 kept for this purpose; and

15 (2) depreciable for federal income tax
16 purposes.

17 B. That portion of the value of tangible personal
18 property on which an allowance was granted to the buyer for a
19 trade-in of tangible personal property of the same type that
20 was bought may be deducted from the value in computing the
21 compensating tax due."