

1 SENATE BILL 146

2 **44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,**
3 **2000**

4 INTRODUCED BY

5 Sue F. Wilson
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11 AN ACT

12 RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX
13 DEDUCTION FOR CERTAIN SOFTWARE SERVICES AND BUSINESS SERVICES
14 DELIVERED VIA THE INTERNET; ENACTING A NEW SECTION OF THE
15 GROSS RECEIPTS AND COMPENSATING TAX ACT.
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18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

19 Section 1. A new section of the Gross Receipts and
20 Compensating Tax Act is enacted to read:

21 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--SALE OF
22 SOFTWARE SERVICES AND COMPUTER BUSINESS SERVICES.--

23 A. As used in this section:

24 (1) "business services" means services used
25 in the normal course of business, including accounting, word
processing, data entry, research and consulting; and

(2) "software services" means the
development, integration or support of computer software used

.130984.1

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underscoring material = new
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1 for business purposes.

2 B. A deduction from gross receipts may be made for
3 receipts from the sale of software services and business
4 services:

5 (1) of which at least ninety percent of
6 receipts are for service performed on, or delivered to the
7 purchaser through, an on-line telecommunications service
8 other than voice telephony; and

9 (2) that originate from a place of business
10 located outside the boundaries of incorporated municipalities
11 of more than forty thousand population according to the most
12 recent federal decennial census."