

AN ACT

RELATING TO TAXATION; AMENDING A SECTION OF THE GROSS RECEIPTS AND COMPENSATING TAX ACT TO EXPAND THE DEDUCTION FOR CERTAIN SPACE ACTIVITIES; REPEALING A SECTION OF LAWS 1997.

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

Section 1. Section 7-9-54.2 NMSA 1978 (being Laws 1995, Chapter 183, Section 2, as amended) is amended to read:

"7-9-54.2. GROSS RECEIPTS--DEDUCTION--SPACEPORT OPERATION--SPACE OPERATIONS--LAUNCHING, OPERATING AND RECOVERING SPACE VEHICLES OR PAYLOADS--PAYLOAD SERVICES.--

A. For the period from July 1, 2001 through June 30, 2006, receipts from launching, operating or recovering space vehicles or payloads in New Mexico may be deducted from gross receipts.

B. For the period from July 1, 2001 through June 30, 2006, receipts from preparing a payload in New Mexico are deductible from gross receipts.

C. For the period from July 1, 2001 through June 30, 2006, receipts from operating a spaceport in New Mexico are deductible from gross receipts.

D. As used in this section:

(1) "payload" means a system, subsystem or other mechanical structure designed and constructed to perform a function in space;

(2) "space" means any location beyond altitudes of sixty thousand feet above the earth's mean sea level;

(3) "space operations" means the process of commanding and controlling payloads in space; and

(4) "spaceport" means an installation and related facilities used for the launching, landing, operating, recovering, servicing and monitoring of vehicles capable of entering or returning from space.

E. Receipts from the sale of tangible personal property that will become an ingredient or component part of a construction project or from performing construction services may not be deducted under this section."

Section 2. REPEAL. -- Laws 1997, Chapter 73, Section 2 is repealed.

Section 3. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 2001. _____