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HOUSE BILL 220

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Pauline K. Gubbels

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; AMENDING A SECTION OF THE GROSS RECEIPTS AND COMPENSATING TAX ACT TO EXPAND THE DEDUCTION FOR CERTAIN SPACE ACTIVITIES; PROVIDING A COMPENSATING TAX DEDUCTION FOR USE OF CERTAIN TANGIBLE PERSONAL PROPERTY IN CERTAIN SPACE ACTIVITIES; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978; 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 [~~RECOVERY OF~~] RECOVERING SPACE [~~LAUNCH~~] VEHICLES OR PAYLOADS- - PAYLOAD SERVICES. - -

A. For the period from July 1, 2001 through

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1 June 30, 2006, receipts from launching, operating or
2 recovering space [~~launch~~] vehicles or payloads in New Mexico
3 may be deducted from gross receipts.

4 B. For the period from July 1, 2001 through
5 June 30, 2006, receipts from preparing a payload [~~for~~
6 ~~launching~~] in New Mexico are deductible from gross receipts.

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

10 D. As used in this section:

11 (1) "payload" [~~includes systems, subsystems~~
12 ~~and mechanical structures required to perform or conduct~~
13 ~~research and development on or to conduct operations of space~~
14 ~~functions, such as reconnaissance, communications, navigation~~
15 ~~and target simulations, but does not include weapons] means a
16 system, subsystem or other mechanical structure designed and
17 constructed to perform a function in space;~~

18 (2) "space" means any location beyond
19 altitudes of sixty thousand feet above the earth's mean sea
20 level; [~~and~~]

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

23 [~~(3)~~] (4) "spaceport" means an installation
24 and related facilities used for the launching, landing,
25 [~~recovery~~] operating, recovering, servicing and monitoring of

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1 vehicles capable of entering or returning from space.

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

6 Section 2. A new section of the Gross Receipts and
7 Compensating Tax Act is enacted to read:

8 "[NEW MATERIAL] DEDUCTION--COMPENSATING TAX--TANGIBLE
9 PERSONAL PROPERTY USED IN THE PAYLOAD, PREPARATION, LAUNCHING,
10 OPERATING OR RECOVERING OF SPACE VEHICLES OR IN CERTAIN
11 SPACEPORT OPERATION. --

12 A. For the period from July 1, 2001 through
13 June 30, 2006, the value of tangible personal property used as
14 payload or in launching, operating or recovering a space
15 vehicle or payload or in preparing a payload in New Mexico or
16 used in space operations or in the operation of a spaceport
17 may be deducted from the value in computing the compensating
18 tax due; provided that no other deduction for compensating tax
19 due on the value of that tangible personal property applies.

20 B. Receipts from the sale of tangible personal
21 property that will become an ingredient or component part of a
22 construction project may not be deducted under this section.

23 C. As used in this section:

24 (1) "payload" means a system, subsystem or
25 other mechanical structure designed and constructed to perform

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1 a function in space;

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

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

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

11 Section 3. REPEAL. -- Laws 1997, Chapter 73, Section 2 is
12 repealed.

13 Section 4. EFFECTIVE DATE. -- The effective date of the
14 provisions of this act is July 1, 2001.

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