

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL 809

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

INTRODUCED BY

Leonard Tsosie

AN ACT

RELATING TO TAXATION; EXEMPTING POWER PROJECTS ON NAVAJO  
NATION LAND FROM PAYMENT OF CERTAIN STATE TAXES; AUTHORIZING  
DEVELOPMENT FUNDING THROUGH THE NEW MEXICO FINANCE AUTHORITY.

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

Section 1. Section 7-2A-4 NMSA 1978 (being Laws 1981,  
Chapter 37, Section 37, as amended) is amended to read:

"7-2A-4. EXEMPTIONS. -- No corporate income or franchise  
tax shall be imposed upon:

A. insurance companies or reciprocal or inter-  
insurance exchanges [~~which~~] that pay a premium tax to the  
state;

B. a trust organized or created in the United  
States and forming part of a stock bonus, pension or profit-  
sharing plan of an employer for the exclusive benefit of his

underscored material = new  
[bracketed material] = delete

1 employees or their beneficiaries, which trust is exempt from  
2 taxation under the provisions of the Internal Revenue Code;  
3 [~~or~~]

4 C. religious, educational, benevolent or other  
5 organizations not organized for profit [~~which~~] that are exempt  
6 from income taxation under the Internal Revenue Code, unless  
7 the organization receives income [~~which~~] that is subject to  
8 federal income taxation as "unrelated business income" under  
9 the Internal Revenue Code, in which case the organization is  
10 subject to the corporate franchise tax, and the corporate  
11 income tax applies to the unrelated business income; or

12 D. a corporation, limited liability company,  
13 limited liability partnership or any other legal entity that  
14 constructs or operates a generation, transmission or  
15 distribution power project located on the reservation or trust  
16 land of the Navajo Nation. "

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

19 "[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS TAX--  
20 COMPENSATING TAX--POWER PROJECTS ON NAVAJO NATION LANDS.--

21 A. Exempt from the gross receipts tax are the  
22 receipts of a person that constructs or operates a generation,  
23 transmission or distribution power project, including  
24 generation, transmission or distribution facilities, switch  
25 yards, substations or other facilities, installations or

underscored material = new  
[bracketed material] = delete

1 infrastructure associated with a power project located on  
2 reservation land or trust land of the Navajo Nation.

3 B. Exempt from the compensating tax is the use of  
4 property by a person who constructs or operates a generation,  
5 transmission or distribution power project, including  
6 generation, transmission or distribution facilities, switch  
7 yards, substations or other facilities, installations or  
8 infrastructure associated with a power project located on  
9 reservation land or trust land of the Navajo Nation. "

10 Section 3. A new section of the New Mexico Finance  
11 Authority Act is enacted to read:

12 "[NEW MATERIAL] POWER PROJECTS ON THE NAVAJO NATION. --

13 A. The authority shall work with the Navajo Nation  
14 to provide funding for development of power projects that are  
15 wholly owned by the Navajo Nation.

16 B. As used in this section, "power project" means  
17 a generation, transmission or distribution facility, including  
18 the infrastructure, switch yards, substations and raw material  
19 delivery systems, as well as the power plant and its  
20 associated installations. "

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