

CHAPTER 21

CHAPTER 21, LAWS 2002

AN ACT

RELATING TO TAXATION; EXPANDING ELIGIBILITY FOR THE DEDUCTION FROM GROSS RECEIPTS FOR ADMINISTRATIVE AND ACCOUNTING SERVICES; AMENDING A SECTION OF THE NMSA 1978.

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

Section 1. Section 7-9-69 NMSA 1978 (being Laws 1969, Chapter 144, Section 61, as amended) is amended to read:

"7-9-69. DEDUCTION--GROSS RECEIPTS TAX--ADMINISTRATIVE AND ACCOUNTING SERVICES.--

A. Receipts of a business entity for administrative, managerial, accounting and customer services performed by it for an affiliate upon a nonprofit or cost basis and receipts of a business entity from an affiliate for the joint use or sharing of office machines and facilities upon a nonprofit or cost basis may be deducted from gross receipts.

B. For the purposes of this section:

(1) "affiliate" means a business entity that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with another business entity;

(2) "business entity" means a corporation, limited liability company, partnership, limited partnership, limited liability partnership or real estate investment trust, but does not mean an individual or a joint venture; and

(3) "control" means equity ownership in a business entity that:

(a) represents at least fifty percent of the total voting power of that business entity; and

(b) has a value equal to at least fifty percent of the total equity of that business entity."

Section 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2002.