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HOUSE BILL 321

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Ben Lujan

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 [~~corporation or an affiliate~~] business entity for administrative, managerial, accounting and customer services performed by it for [~~the corporation or~~] an affiliate upon a nonprofit or cost basis and receipts [~~from the corporation or~~] of a business entity from an affiliate for the joint use or sharing of office machines and facilities

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 upon a nonprofit or cost basis may be deducted from gross
2 receipts.

3 B. For the purposes of this section [an]:

4 (1) "affiliate" means a [~~corporation or a~~
5 ~~limited partnership~~] business entity that directly or
6 indirectly through one or more intermediaries controls, is
7 controlled by or is under common control with [~~the subject~~
8 ~~corporation or limited partnership. For purposes of this~~
9 ~~subsection~~] another business entity;

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

14 (3) "control" means equity ownership [of
15 ~~stock~~] in a [~~corporation or of an interest in a limited~~
16 ~~partnership~~] business entity that:

17 [(1)] (a) represents at least fifty
18 percent of the total voting power of that [~~corporation or~~
19 ~~limited partnership~~] business entity; and

20 [(2)] (b) has a value equal to at least
21 fifty percent of the total [~~value of the stock~~] equity of that
22 [~~corporation or limited partnership~~] business entity. "

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