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SENATE BILL 557

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION FROM A PORTION OF RECEIPTS FROM THE SALE OF FOOD AT RETAIL FOOD STORES; PROVIDING THAT THE AMOUNT OF THE DEDUCTION SHALL BE INCREASED COMMENSURATE WITH ECONOMIC GROWTH.

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

Section 1. A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--SALE OF FOOD AND FOOD INGREDIENTS--PHASE-IN.--

A. The following portion of receipts from the sale of food at a retail food store that are not exempt from gross receipts taxation and are not deductible pursuant to another provision of the Gross Receipts and Compensating Tax Act may be deducted from gross receipts:

.149928.1

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1 (1) from July 1, 2004 until the first day of
2 the calendar year immediately following a certification
3 pursuant to Subsection B of this section, one-third of those
4 receipts;

5 (2) from the first day of the calendar year
6 immediately following a certification pursuant to Subsection B
7 of this section until the first day of the calendar year
8 immediately following a certification pursuant to Subsection C
9 of this section, two-thirds of those receipts; and

10 (3) after the first day of the calendar year
11 immediately following a certification pursuant to Subsection C
12 of this section, all of those receipts.

13 B. If the revenue per capita, in any fiscal year,
14 from the gross receipts tax imposed by Section 7-9-4 NMSA 1978
15 is greater than one hundred four percent of the revenue per
16 capita received from that tax in fiscal year 2005, as adjusted
17 for inflation, the secretary of taxation and revenue shall
18 certify that fact to the secretary of finance and
19 administration.

20 C. After a certification made pursuant to
21 Subsection B of this section, if the revenue per capita, in any
22 fiscal year, from the gross receipts tax imposed by Section
23 7-9-4 NMSA 1978 is greater than one hundred eight percent of
24 the revenue per capita received from that tax in fiscal year
25 2005, as adjusted for inflation, the secretary of taxation and

.149928.1

underscoring material = new
[bracketed material] = delete

1 revenue shall certify that fact to the secretary of finance and
2 administration.

3 D. The deduction provided by this section shall be
4 separately stated by the taxpayer.

5 E. For the purposes of this section:

6 (1) "food" means any food or food product for
7 home consumption that meets the definition of food in 7 USCA
8 2012 (g)(1) for purposes of the federal food stamp program; and

9 (2) "retail food store" means an establishment
10 that sells food for home preparation and consumption that meets
11 the definition of retail food store in 7 USCA 2012 (k)(1) for
12 the purposes of the federal food stamp program, whether or not
13 the establishment participates in the food stamp program."

14 Section 2. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2004.