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**HOUSE BILL 16**

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2005**

**INTRODUCED BY**

**Jose A. Campos**

**AN ACT**

**RELATING TO TAXATION; PROVIDING FOR DEDUCTIONS FROM GROSS RECEIPTS FOR THE SALE OF CONSTRUCTION SERVICES, CONSTRUCTION EQUIPMENT AND CONSTRUCTION MATERIALS USED IN THE CONSTRUCTION OF PUBLIC HEALTH CARE FACILITIES; DECLARING AN EMERGENCY.**

**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 TAX--SALE OF CONSTRUCTION SERVICES USED IN CONSTRUCTION OF PUBLIC HEALTH CARE FACILITIES.--Receipts from selling a construction service used in the construction of a public health care facility may be deducted from gross receipts if the sale of the construction service is made to a foundation or a nonprofit organization that:**

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1           A. has made a written promise to a county to pay at  
2 least ninety-five percent of the costs of construction of that  
3 public health care facility; and

4           B. delivers to the seller of the construction  
5 service either an appropriate nontaxable transaction  
6 certificate or other evidence acceptable to the secretary of a  
7 written promise made in accordance with Subsection A of this  
8 section. "

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

11           "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--SALE OF  
12 CONSTRUCTION MATERIALS AND CONSTRUCTION EQUIPMENT USED IN  
13 CONSTRUCTION OF PUBLIC HEALTH CARE FACILITIES.--Receipts from  
14 selling construction equipment or construction materials used  
15 in the construction of a public health care facility may be  
16 deducted from gross receipts if the sale of the construction  
17 equipment or construction materials is made to a foundation or  
18 a nonprofit organization that:

19           A. has made a written promise to a county to pay at  
20 least ninety-five percent of the costs of construction of that  
21 public health care facility; and

22           B. delivers to the seller either an appropriate  
23 nontaxable transaction certificate or other evidence acceptable  
24 to the secretary of a written promise made in accordance with  
25 Subsection A of this section. "

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Section 3. EFFECTIVE DATE.--The effective date of the provisions of this act is November 1, 2005.

Section 4. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.

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