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HOUSE BILL 448

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Dona G. Irwin

AN ACT

RELATING TO TAXATION; EXPANDING THE SCOPE OF A GROSS RECEIPTS  
TAX DEDUCTION FOR SALES OF AGRICULTURAL IMPLEMENTS TO INCLUDE  
SALES OF UNDERGROUND IRRIGATION TOOLS, UTENSILS OR INSTRUMENTS.

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

Section 1. Section 7-9-62 NMSA 1978 (being Laws 1969,  
Chapter 144, Section 52, as amended) is amended to read:

"7-9-62. DEDUCTION--GROSS RECEIPTS TAX--AGRICULTURAL  
IMPLEMENTS--AIRCRAFT--VEHICLES THAT ARE NOT REQUIRED TO BE  
REGISTERED.--

A. Except for receipts deductible under Subsection  
B of this section, fifty percent of the receipts from selling  
agricultural implements, farm tractors, aircraft or vehicles  
that are not required to be registered under the Motor Vehicle  
Code may be deducted from gross receipts; provided that, with

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1 respect to agricultural implements, the sale is made to a  
2 person who states in writing that the person is regularly  
3 engaged in the business of farming or ranching. Any deduction  
4 allowed under Section 7-9-71 NMSA 1978 must be taken before the  
5 deduction allowed by this subsection is computed.

6 B. Receipts of an aircraft manufacturer from  
7 selling aircraft may be deducted from gross receipts. Any  
8 deduction allowed under Section 7-9-71 NMSA 1978 must be taken  
9 before the deduction allowed by this subsection is computed.

10 C. As used in this section, "agricultural  
11 implement" means a tool, utensil or instrument that is:

12 (1) designed to irrigate agricultural produce  
13 aboveground or belowground at the place where the produce is  
14 grown; or

15 [~~1~~] (2) designed primarily for use with a  
16 source of motive power, such as a tractor, in planting,  
17 growing, cultivating, harvesting or processing agricultural  
18 produce at the place where the produce is grown; in raising  
19 poultry or livestock; or in obtaining or processing food or  
20 fiber, such as eggs, milk, wool or mohair, from living poultry  
21 or livestock at the place where the poultry or livestock are  
22 kept for this purpose; and [~~2~~] that is depreciable for  
23 federal income tax purposes."

24 Section 2. EFFECTIVE DATE.--The effective date of the  
25 provisions of this act is July 1, 2006.

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