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HOUSE BILL 865

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

INTRODUCED BY

Ben Lujan

AN ACT

RELATING TO TAXATION; AMENDING THE GROSS RECEIPTS AND
COMPENSATING TAX ACT; PROVIDING FOR CHANGES RELATING TO
EXEMPTIONS AND DEDUCTIONS.

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

Section 1. Section 7-9-12 NMSA 1978 (being Laws 1969,
Chapter 144, Section 5, as amended) is amended to read:

"7-9-12. EXEMPTIONS.--Exempted from the gross receipts
tax or compensating tax are those receipts or uses exempted in
Sections 7-9-13 through [~~7-9-42~~] 7-9-41 NMSA 1978. Exemptions
from either the gross receipts tax or the compensating tax are
not exemptions from both taxes unless explicitly stated
otherwise by law."

Section 2. Section 7-9-45 NMSA 1978 (being Laws 1969,
Chapter 144, Section 35, as amended) is amended to read:

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"7-9-45. DEDUCTIONS.--

A. In computing the gross receipts tax or governmental gross receipts tax due, only those receipts specified in Sections 7-9-46 through 7-9-76.2, 7-9-77.1, 7-9-83, 7-9-85 through 7-9-87, [~~and~~] 7-9-89 through 7-9-90, 7-9-92 through 7-9-95 and 7-9-97 NMSA 1978 may be deducted. Receipts, whether specified once or several times in those sections, may be deducted only once from gross receipts or governmental gross receipts.

B. Receipts that are exempted from the gross receipts tax may not be deducted from gross receipts. Receipts that are deducted from gross receipts may not be exempted from the gross receipts tax.

C. Receipts that are exempted from the governmental gross receipts tax shall not be deducted from governmental gross receipts. Receipts that are deducted from governmental gross receipts shall not be exempted from the governmental gross receipts tax."