

FORTY-SEVENTH LEGISLATURE
SECOND SESSION

February 13, 2006

HOUSE FLOOR AMENDMENT number 1 to SENATE BILL 457, as amended

Amendment sponsored by Representative

1. Strike Senate Finance Committee Amendments 1, 4 and 5.
2. On page 1, line 13, strike "LOCATED IN NEW MEXICO" and insert in lieu thereof "OR REAL ESTATE INVESTMENT TRUSTS".
3. On page 1, lines 16 through 25, and on page 2, lines 1 through 9, strike Section 1 in its entirety and insert in lieu thereof the following new section:

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

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--RECEIPTS FROM PERFORMING MANAGEMENT OR INVESTMENT ADVISORY SERVICES FOR MUTUAL FUNDS, HEDGE FUNDS OR REAL ESTATE INVESTMENT TRUSTS.--

A. Receipts from fees received for performing management or investment advisory services for a mutual fund, hedge fund or real estate investment trust may be deducted from gross receipts.

B. As used in this section:

(1) "hedge fund" means a private investment fund or pool, the assets of which are managed by a professional management firm, that:

(a) trades or invests, through public market or private transactions, in securities, commodities, currency, derivatives or similar classes of financial assets; or

(b) is not an investment company pursuant to the

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provisions of 15 U.S.C. 80a-3(c)(1) or 15 U.S.C. 80a-3(c)(7);

(2) "mutual fund" means an entity registered pursuant to the federal Investment Company Act of 1940, as amended; and

(3) "real estate investment trust" means an entity described in Section 856(a) of the Internal Revenue Code of 1986, as amended, the investments of which are limited to interests in mortgages on real property and shares of or transferable certificates of beneficial interest in an entity described in Section 856(a) of the Internal Revenue Code of 1986, as amended."".

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____