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HOUSE BILL 886

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

W. C. "Dub" Williams

AN ACT

RELATING TO GAMING TAXATION; DISTRIBUTING A PERCENTAGE OF
GAMING TAX REVENUES GENERATED BY RACETRACK GAMING OPERATOR
LICENSEES TO MUNICIPALITIES IN WHICH RACETRACKS ARE LOCATED TO
PROVIDE FUNDS FOR LOCAL INFRASTRUCTURE AND SERVICES.

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

Section 1. A new section of the Tax Administration Act is
enacted to read:

"[NEW MATERIAL] DISTRIBUTION--GAMING TAX.--From July 1,
2007 to July 1, 2017, a distribution pursuant to
Section 7-1-6.1 NMSA 1978 shall be made to each municipality in
which a racetrack gaming operator licensed pursuant to the
Gaming Control Act is located in an amount equal to four
percent of the net receipts attributable to the gaming tax paid
by the racetrack gaming operator licensee pursuant to Section
.166697.1

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1 60-2E-47 NMSA 1978."

2 Section 2. Section 60-2E-47 NMSA 1978 (being Laws 1997,
3 Chapter 190, Section 49, as amended) is amended to read:

4 "60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION.--

5 A. An excise tax is imposed on the privilege of
6 engaging in gaming activities in the state. This tax shall be
7 known as the "gaming tax".

8 B. The gaming tax is an amount equal to ten percent
9 of the gross receipts of manufacturer licensees from the sale,
10 lease or other transfer of gaming devices in or into the state,
11 except receipts of a manufacturer from the sale, lease or other
12 transfer to a licensed distributor for subsequent sale or lease
13 may be excluded from gross receipts; ten percent of the gross
14 receipts of distributor licensees from the sale, lease or other
15 transfer of gaming devices in or into the state; ten percent of
16 the net take of a gaming operator licensee that is a nonprofit
17 organization; and twenty-six percent of the net take of every
18 other gaming operator licensee. For the purposes of this
19 section, "gross receipts" means the total amount of money or
20 the value of other consideration received from selling, leasing
21 or otherwise transferring gaming devices.

22 C. The gaming tax imposed on a licensee is in lieu
23 of all state and local gross receipts taxes on that portion of
24 the licensee's gross receipts attributable to gaming
25 activities.

.166697.1

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1 D. The gaming tax is to be paid on or before the
2 fifteenth day of the month following the month in which the
3 taxable event occurs. The gaming tax shall be administered and
4 collected by the taxation and revenue department in cooperation
5 with the board. The provisions of the Tax Administration Act
6 apply to the collection and administration of the tax.

7 E. In addition to the gaming tax, a gaming operator
8 licensee that is a racetrack shall pay twenty percent of its
9 net take to purses to be distributed in accordance with rules
10 adopted by the state racing commission. An amount not to
11 exceed twenty percent of the interest earned on the balance of
12 any fund consisting of money for purses distributed by
13 racetrack gaming operator licensees pursuant to this subsection
14 may be expended for the costs of administering the
15 distributions. A racetrack gaming operator licensee shall
16 spend no less than one-fourth percent of the net take of its
17 gaming machines to fund or support programs for the treatment
18 and assistance of compulsive gamblers.

19 F. A nonprofit gaming operator licensee shall
20 distribute at least sixty percent of the balance of its net
21 take, after payment of the gaming tax and any income taxes,
22 for charitable or educational purposes.

23 G. A municipality receiving a percentage of gaming
24 tax revenue generated by a racetrack gaming operator licensee
25 from a distribution pursuant to Section 1 of this 2007 act

.166697.1

1 shall use those revenues for acquisition, construction or
2 improvement of local government infrastructure or for providing
3 police and fire protection services."

4 Section 3. EFFECTIVE DATE.--The effective date of the
5 provisions of this act is July 1, 2007.

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