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HOUSE BILL 1149

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

INTRODUCED BY

James R.J. Strickler

AN ACT

RELATING TO TAXATION; ELIMINATING THE GOVERNMENTAL GROSS RECEIPTS ON DOMESTIC WATER SUPPLIED BY A GOVERNMENTAL UTILITY; CREATING A DEDUCTION FOR RECEIPTS FROM THE SALE OF ELECTRICITY, NATURAL GAS, WATER AND SEWER SERVICES FROM THE GROSS RECEIPTS OF A PUBLIC UTILITY.

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

Section 1. Section 7-9-3.2 NMSA 1978 (being Laws 1991, Chapter 8, Section 1, as amended) is amended to read:

"7-9-3.2. ADDITIONAL DEFINITION.--

A. As used in the Gross Receipts and Compensating Tax Act, "governmental gross receipts" means receipts of the state or an agency, institution, instrumentality or political subdivision from:

- (1) the sale of tangible personal property

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 other than water from facilities open to the general public;

2 (2) the performance of or admissions to
3 recreational, athletic or entertainment services or events in
4 facilities open to the general public;

5 (3) refuse collection or refuse disposal or
6 both;

7 (4) sewage services;

8 [~~(5) the sale of water by a utility owned or~~
9 ~~operated by a county, municipality or other political~~
10 ~~subdivision of the state;~~] and

11 [~~(6)~~] (5) the renting of parking, docking or
12 tie-down spaces or the granting of permission to park vehicles,
13 tie down aircraft or dock boats.

14 "Governmental gross receipts" includes receipts from the
15 sale of tangible personal property handled on consignment when
16 sold from facilities open to the general public but excludes
17 cash discounts taken and allowed, governmental gross receipts
18 tax payable on transactions reportable for the period and any
19 type of time-price differential.

20 B. As used in this section, "facilities open to the
21 general public" does not include point of sale registers or
22 electronic devices at a bookstore owned or operated by a public
23 post-secondary educational institution when the registers or
24 devices are utilized in the sale of textbooks or other
25 materials required for courses at the institution to a student

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1 enrolled at the institution who displays a valid student
2 identification card."

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

5 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--
6 ELECTRICITY, NATURAL GAS AND WATER SALES BY A PUBLIC UTILITY.--

7 A. Receipts from the sale of electricity, natural
8 gas or water by a public utility may be deducted from gross
9 receipts.

10 B. As used in this section, "public utility" means
11 a person, not engaged solely in interstate business, that owns,
12 operates, leases or controls:

13 (1) a plant, property or facility for the
14 generation, transmission or distribution, sale or furnishing to
15 or for the public of electricity for light, heat, power or
16 other uses;

17 (2) a plant, property or facility for the
18 manufacture, storage, distribution or furnishing to or for the
19 public of natural or manufactured gas or mix or liquefied
20 petroleum gas for light, heat, power or other uses; "public
21 utility" includes for purposes of this paragraph a plant,
22 property or facility used for or in connection with the
23 business of the manufacture, storage, distribution, sale or
24 furnishing of liquefied petroleum gas in enclosed containers
25 holding at least twenty pounds or at least four gallons of

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underscoring = new
~~[bracketed material]~~ = delete

1 liquefied petroleum gas or in a tank truck for distribution to
2 the public for use for heat, power or other purposes; or

3 (3) a plant, property or facility for the
4 supplying, storage, distribution or furnishing to or for the
5 public of water for manufacturing, municipal, domestic or other
6 uses; provided, however, nothing contained in this paragraph
7 shall be construed to apply to irrigation systems, the chief or
8 principal business of which is to supply water for the purpose
9 of irrigation."

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