

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 181

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

Sue Wilson Beffort

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS FOR CERTAIN BUSINESSES FOR SALES OF SERVICES TO OUT-OF-STATE PURCHASERS.

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

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

"~~[NEW MATERIAL]~~ DEDUCTION--GROSS RECEIPTS--SERVICES TO OUT-OF-STATE PURCHASERS.--

A. Receipts from the sale of services to out-of-state purchasers may be deducted by a small business from gross receipts.

B. The purpose of the deduction provided in this section is to help to support small businesses in New Mexico that sell services to out-of-state purchasers.

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

underscored material = new
[bracketed material] = delete

1 C. Deductions for sales of services to out-of-state
2 purchasers shall be stated separately by the taxpayer on forms
3 provided by the department.

4 D. The department shall annually report to the
5 revenue stabilization and tax policy committee aggregate
6 amounts of deductions taken pursuant to this section, the
7 number of taxpayers claiming the deduction and any other
8 information that is necessary to determine that the deduction
9 is performing the purpose for which it is enacted.

10 E. As used in this section:

11 (1) "out-of-state" means that delivery of the
12 service is to an address outside of New Mexico; and

13 (2) "small business" means a business:

14 (a) with fewer than ten employees,
15 including all persons for whom the business pays part or all of
16 the person's social security taxes due pursuant to the Federal
17 Insurance Contributions Act; and

18 (b) that has paid gross receipts taxes
19 pursuant to the provisions of the Gross Receipts and
20 Compensating Tax Act for the five consecutive years prior to
21 the first year in which a deduction pursuant to this section is
22 taken."

23 SECTION 2. EFFECTIVE DATE.--The effective date of the
24 provisions of this act is July 1, 2012.