

1 SENATE BILL 276

2 **50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

3 INTRODUCED BY

4 Stuart Ingle

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10 AN ACT

11 RELATING TO TAXATION; EXPANDING A DEDUCTION FROM GROSS RECEIPTS
12 FOR TANGIBLE PERSONAL PROPERTY TO INCLUDE PROPERTY CONSUMED IN
13 THE PROCESS OF MANUFACTURING.

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 7-9-46 NMSA 1978 (being Laws 1969,
17 Chapter 144, Section 36, as amended) is amended to read:

18 "7-9-46. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL
19 GROSS RECEIPTS--SALES TO MANUFACTURERS.--

20 A. Receipts from selling tangible personal property
21 may be deducted from gross receipts or from governmental gross
22 receipts if the sale is made to a person engaged in the
23 business of manufacturing who delivers a nontaxable transaction
24 certificate to the seller.

25 B. The buyer delivering the nontaxable transaction

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certificate must:

(1) incorporate the tangible personal property as an ingredient or component part of the product that ~~he~~ the buyer is in the business of manufacturing; or

(2) use the property in such a way that it is consumed in the manufacturing process; provided that the tangible personal property is not a tool or equipment used to create the manufactured product."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is January 1, 2013.