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SENATE BILL 509

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO TAXATION; ALLOWING NETWORK FACILITATION AS BUSINESS ASSISTANCE FOR THE PURPOSES OF CLAIMING THE LABORATORY PARTNERSHIP WITH SMALL BUSINESS TAX CREDIT; INCREASING THE LABORATORY PARTNERSHIP WITH SMALL BUSINESS TAX CREDIT CAP; REQUIRING THE FUNDING OF NETWORK FACILITATION PROGRAMS TO BE ELIGIBLE FOR THE LABORATORY PARTNERSHIP WITH SMALL BUSINESS TAX CREDIT.

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

SECTION 1. Section 7-9E-3 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 20, Section 3, as amended) is amended to read:

"7-9E-3. DEFINITIONS.--As used in the Laboratory Partnership with Small Business Tax Credit Act:

A. "contractor":

(1) means a person that:

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1 (a) has the capability to provide small
2 business assistance; [~~and~~]

3 (b) has the capability to train people
4 and to facilitate the development and maintenance of
5 professional networks that provide access to financial capital,
6 relevant resources and information; provided that the person
7 has a minimum of five years of experience and the secretary of
8 economic development has certified the person as having
9 supported small businesses in the creation or retention of at
10 least one hundred new jobs in rural areas; and

11 [~~(b)~~] (c) may enter into a contract with
12 a national laboratory to provide small business assistance; and

13 (2) includes:

14 (a) a gas, water or electric utility
15 owned or operated by a county, municipality or other political
16 subdivision of the state; or

17 (b) a national, federal, state, Indian
18 or other governmental unit or subdivision, or an agency,
19 department or instrumentality of any of the foregoing,
20 including a regional university, community college or
21 institution of higher learning;

22 B. "department" means the taxation and revenue
23 department, the secretary of taxation and revenue or an
24 employee of the department exercising authority lawfully
25 delegated to that employee by the secretary;

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1 C. "national laboratory" means a prime contractor
2 designated as a national laboratory by act of congress that is
3 operating a facility in New Mexico;

4 D. "qualified expenditure" means an expenditure by
5 a national laboratory in providing small business assistance,
6 limited to the following expenditures incurred in providing the
7 assistance:

8 (1) employee salaries, wages, fringe benefits
9 and employer payroll taxes;

10 (2) administrative costs related directly to
11 the provision of small business assistance, the total of which
12 is limited to forty-nine percent of employee salaries, wages,
13 fringe benefits and employer payroll taxes;

14 (3) in-state travel expenses, including per
15 diem and mileage at the internal revenue service standard
16 rates; and

17 (4) supplies and services of contractors
18 related to the provision of small business assistance;

19 E. "rural area" means an area of the state outside
20 of the exterior boundaries of a class A county that has a net
21 taxable value for rate-setting purposes for any property tax
22 year of more than seven billion dollars (\$7,000,000,000);

23 F. "small business" means a business in New Mexico
24 that conforms to the definition of small business found in the
25 federal Small Business Act; and

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1 G. "small business assistance" means assistance
2 rendered by a national laboratory related to the transfer of
3 technology, including software, manufacturing, mining, oil and
4 gas, environmental, agricultural, information and solar and
5 other alternative energy source technologies. "Small business
6 assistance" includes nontechnical assistance related to
7 expanding the New Mexico base of suppliers, including training
8 and mentoring individual small businesses and facilitating the
9 development and maintenance of professional networks;
10 assistance in developing business systems to meet audit,
11 reporting and quality assurance requirements; and other
12 supplier development initiatives for individual small
13 businesses."

14 SECTION 2. Section 7-9E-6 NMSA 1978 (being Laws 2000 (2nd
15 S.S.), Chapter 20, Section 6) is amended to read:

16 "7-9E-6. ADMINISTRATION BY THE NATIONAL LABORATORY.--To
17 qualify for tax credits pursuant to the Laboratory Partnership
18 with Small Business Tax Credit Act, a national laboratory
19 shall:

- 20 A. establish a small business assistance program;
- 21 B. establish a revolving fund with initial funding
- 22 from a source other than tax credits. Money from the revolving
- 23 fund shall be used to pay for qualified expenditures, and the
- 24 fund shall be replenished with an amount equal to the tax
- 25 credits taken pursuant to the Laboratory Partnership with Small

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1 Business Tax Credit Act;

2 C. consult with the secretary of economic
3 development to seek advice on improvements in the operation of
4 the small business assistance program; ~~and~~

5 D. establish a methodology to utilize contractors
6 who have demonstrated the capability to provide small business
7 assistance; and

8 E. provide one million two hundred thousand dollars
9 (\$1,200,000) each calendar year to facilitate the development
10 and maintenance of professional networks that provide access to
11 financial capital, relevant resources and information in a
12 rural area."

13 SECTION 3. Section 7-9E-7 NMSA 1978 (being Laws 2000 (2nd
14 S.S.), Chapter 20, Section 7, as amended) is amended to read:

15 "7-9E-7. TAX CREDITS--AMOUNTS.--A tax credit provided
16 pursuant to the Laboratory Partnership with Small Business Tax
17 Credit Act shall be in an amount equal to the qualified
18 expenditure incurred by the national laboratory to provide:

19 A. small business assistance to a specific small
20 business, not to exceed ten thousand dollars (\$10,000) for each
21 small business located outside of a rural area for which small
22 business assistance is rendered in a calendar year or twenty
23 thousand dollars (\$20,000) if the small business assistance was
24 provided to a small business located in a rural area; and

25 B. funding for a program to train small businesses

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1 and facilitate small businesses' development and maintenance of
2 professional networks that provide access to financial capital,
3 relevant resources and information in a rural area, not to
4 exceed one hundred thousand dollars (\$100,000) for each
5 individual program to facilitate professional networks in a
6 calendar year."

7 SECTION 4. Section 7-9E-8 NMSA 1978 (being Laws 2000 (2nd
8 S.S.), Chapter 20, Section 8, as amended) is amended to read:

9 "7-9E-8. CLAIMING THE TAX CREDIT--LIMITATION.--

10 A. A national laboratory eligible for the tax
11 credit pursuant to the Laboratory Partnership with Small
12 Business Tax Credit Act may claim the amount of each tax credit
13 by crediting that amount against gross receipts taxes otherwise
14 due pursuant to the Gross Receipts and Compensating Tax Act.
15 The tax credit shall be taken on each monthly gross receipts
16 tax return filed by the national laboratory against gross
17 receipts taxes due the state and shall not impact any local
18 government tax distribution. In no event shall the tax credits
19 taken by an individual national laboratory exceed [~~two million~~
20 ~~four hundred thousand dollars (\$2,400,000)] three million six
21 hundred thousand dollars (\$3,600,000) in a given calendar year.~~

22 B. Tax credits claimed pursuant to the Laboratory
23 Partnership with Small Business Tax Credit Act by all national
24 laboratories in the aggregate for qualified expenditures for a
25 specific small business not located in a rural area shall not

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1 exceed ten thousand dollars (\$10,000).

2 C. Tax credits claimed pursuant to the Laboratory
3 Partnership with Small Business Tax Credit Act by all national
4 laboratories in the aggregate for qualified expenditures for a
5 specific small business located in a rural area shall not
6 exceed twenty thousand dollars (\$20,000).

7 D. Tax credits claimed pursuant to the Laboratory
8 Partnership with Small Business Tax Credit Act by all national
9 laboratories in the aggregate for qualified expenditures for a
10 specific program to facilitate professional networks located in
11 a rural area shall not exceed one hundred thousand dollars
12 (\$100,000)."

13 SECTION 5. APPLICABILITY.--The provisions of this act
14 apply to taxable years beginning on or after January 1, 2014.