

1 SENATE BILL 555

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 George K. Munoz

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10 AN ACT

11 RELATING TO TAXATION; EXCLUDING A MUNICIPALITY OR COUNTY FROM
12 HOLD HARMLESS DISTRIBUTION REDUCTIONS IN CERTAIN CIRCUMSTANCES.

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

15 SECTION 1. A new section of the Tax Administration Act is
16 enacted to read:

17 "[NEW MATERIAL] EXCEPTION TO THE REDUCTIONS IN HOLD
18 HARMLESS DISTRIBUTIONS TO MUNICIPALITIES AND COUNTIES TO OFFSET
19 THE FOOD AND HEALTH CARE PRACTITIONER SERVICES DEDUCTIONS.--

20 A. Notwithstanding the requirements of Section
21 7-1-6.46 NMSA 1978, a distribution pursuant to that section to
22 a municipality that does not have in effect and has not had in
23 effect a municipal hold harmless gross receipts tax shall not
24 be further reduced pursuant to that section if:

25 (1) for:

.200102.1

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1 (a) fiscal year 2017, the average annual
2 growth of the taxable gross receipts tax base of the
3 municipality from the end of fiscal year 2013 to the end of
4 fiscal year 2015 is less than two percent of the average of the
5 taxable gross receipts tax base for the municipality for fiscal
6 years 2012, 2013 and 2014; or

7 (b) each subsequent fiscal year, the
8 average annual growth of the taxable gross receipts tax base of
9 the municipality from the end of fiscal year 2013 to the end of
10 the fiscal year that ended twelve months earlier is less than
11 two percent of the average of the taxable gross receipts tax
12 base for the municipality for fiscal years 2012, 2013 and 2014;
13 and

14 (2) the poverty rate for the county in which
15 the municipality is located is greater than thirty percent.

16 B. Notwithstanding the requirements of Section
17 7-1-6.47 NMSA 1978, a distribution pursuant to that section to
18 a county that does not have in effect and has not had in effect
19 a county hold harmless gross receipts tax shall not be further
20 reduced pursuant to that section if:

21 (1) for:

22 (a) fiscal year 2017, the average annual
23 growth of the taxable gross receipts tax base of the county
24 from the end of fiscal year 2013 to the end of fiscal year 2015
25 is less than two percent of the average of the taxable gross

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1 receipts tax base for the county for fiscal years 2012, 2013
2 and 2014; or

3 (b) each subsequent fiscal year, the
4 average annual growth of the taxable gross receipts tax base of
5 the county from the end of fiscal year 2013 to the end of the
6 fiscal year that ended twelve months earlier is less than two
7 percent of the average of the taxable gross receipts tax base
8 for the county for fiscal years 2012, 2013 and 2014; and

9 (2) the poverty rate for the county is greater
10 than thirty percent.

11 C. As used in this section, "poverty rate" means
12 the poverty rate for all ages as estimated by the United States
13 census bureau in its 2013 small area income and poverty
14 estimates published in December 2014."

15 SECTION 2. EFFECTIVE DATE.--The effective date of the
16 provisions of this act is July 1, 2016.