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SENATE BILL 633

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

INTRODUCED BY

George K. Munoz

AN ACT

RELATING TO TAXATION; ELIMINATING THE ANNUAL REDUCTIONS IN THE  
HOLD HARMLESS DISTRIBUTIONS TO MUNICIPALITIES AND COUNTIES;  
PROVIDING THAT A MUNICIPALITY OR COUNTY THAT HAS IN EFFECT A  
HOLD HARMLESS GROSS RECEIPTS TAX ON OR AFTER JANUARY 1, 2016  
SHALL NOT RECEIVE A HOLD HARMLESS DISTRIBUTION.

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

SECTION 1. Section 7-1-6.46 NMSA 1978 (being Laws 2004,  
Chapter 116, Section 1, as amended) is amended to read:

"7-1-6.46. DISTRIBUTION TO MUNICIPALITIES--OFFSET FOR  
FOOD DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES  
DEDUCTION.--

~~[A. For a municipality that has not elected to  
impose a municipal hold harmless gross receipts tax through an  
ordinance and that has a population of less than ten thousand~~

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1 ~~according to the most recent federal decennial census, a~~  
2 ~~distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be~~  
3 ~~made to a municipality in an amount, subject to any increase or~~  
4 ~~decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to~~  
5 ~~the sum of:~~

6 ~~(1) the total deductions claimed pursuant to~~  
7 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~  
8 ~~business locations attributable to the municipality multiplied~~  
9 ~~by the sum of the combined rate of all municipal local option~~  
10 ~~gross receipts taxes in effect in the municipality for the~~  
11 ~~month plus one and two hundred twenty-five thousandths percent;~~  
12 ~~and~~

13 ~~(2) the total deductions claimed pursuant to~~  
14 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~  
15 ~~business locations attributable to the municipality multiplied~~  
16 ~~by the sum of the combined rate of all municipal local option~~  
17 ~~gross receipts taxes in effect in the municipality for the~~  
18 ~~month plus one and two hundred twenty-five thousandths percent.~~

19 ~~B. For a municipality not described in Subsection A~~  
20 ~~of this section, a distribution pursuant to Section 7-1-6.1~~  
21 ~~NMSA 1978 shall be made to the municipality in an amount,~~  
22 ~~subject to any increase or decrease made pursuant to Section~~  
23 ~~7-1-6.15 NMSA 1978, equal to the sum of:~~

24 ~~(1) the total deductions claimed pursuant to~~  
25 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~

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1 ~~business locations attributable to the municipality multiplied~~  
2 ~~by the sum of the combined rate of all municipal local option~~  
3 ~~gross receipts taxes in effect in the municipality on January~~  
4 ~~1, 2007 plus one and two hundred twenty-five thousandths~~  
5 ~~percent in the following percentages:~~

6 ~~(a) prior to July 1, 2015, one hundred~~  
7 ~~percent;~~

8 ~~(b) on or after July 1, 2015 and prior~~  
9 ~~to July 1, 2016, ninety-four percent;~~

10 ~~(c) on or after July 1, 2016 and prior~~  
11 ~~to July 1, 2017, eighty-eight percent;~~

12 ~~(d) on or after July 1, 2017 and prior~~  
13 ~~to July 1, 2018, eighty-two percent;~~

14 ~~(e) on or after July 1, 2018 and prior~~  
15 ~~to July 1, 2019, seventy-six percent;~~

16 ~~(f) on or after July 1, 2019 and prior~~  
17 ~~to July 1, 2020, seventy percent;~~

18 ~~(g) on or after July 1, 2020 and prior~~  
19 ~~to July 1, 2021, sixty-three percent;~~

20 ~~(h) on or after July 1, 2021 and prior~~  
21 ~~to July 1, 2022, fifty-six percent;~~

22 ~~(i) on or after July 1, 2022 and prior~~  
23 ~~to July 1, 2023, forty-nine percent;~~

24 ~~(j) on or after July 1, 2023 and prior~~  
25 ~~to July 1, 2024, forty-two percent;~~

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1 ~~(k) on or after July 1, 2024 and prior~~  
2 ~~to July 1, 2025, thirty-five percent;~~

3 ~~(l) on or after July 1, 2025 and prior~~  
4 ~~to July 1, 2026, twenty-eight percent;~~

5 ~~(m) on or after July 1, 2026 and prior~~  
6 ~~to July 1, 2027, twenty-one percent;~~

7 ~~(n) on or after July 1, 2027 and prior~~  
8 ~~to July 1, 2028, fourteen percent; and~~

9 ~~(o) on or after July 1, 2028 and prior~~  
10 ~~to July 1, 2029, seven percent; and~~

11 ~~(2) the total deductions claimed pursuant to~~  
12 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~  
13 ~~business locations attributable to the municipality multiplied~~  
14 ~~by the sum of the combined rate of all municipal local option~~  
15 ~~gross receipts taxes in effect in the municipality on January~~  
16 ~~1, 2007 plus one and two hundred twenty-five thousandths~~  
17 ~~percent in the following percentages:~~

18 ~~(a) prior to July 1, 2015, one hundred~~  
19 ~~percent;~~

20 ~~(b) on or after July 1, 2015 and prior~~  
21 ~~to July 1, 2016, ninety-four percent;~~

22 ~~(c) on or after July 1, 2016 and prior~~  
23 ~~to July 1, 2017, eighty-eight percent;~~

24 ~~(d) on or after July 1, 2017 and prior~~  
25 ~~to July 1, 2018, eighty-two percent;~~

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1 ~~(e) on or after July 1, 2018 and prior~~  
2 ~~to July 1, 2019, seventy-six percent;~~

3 ~~(f) on or after July 1, 2019 and prior~~  
4 ~~to July 1, 2020, seventy percent;~~

5 ~~(g) on or after July 1, 2020 and prior~~  
6 ~~to July 1, 2021, sixty-three percent;~~

7 ~~(h) on or after July 1, 2021 and prior~~  
8 ~~to July 1, 2022, fifty-six percent;~~

9 ~~(i) on or after July 1, 2022 and prior~~  
10 ~~to July 1, 2023, forty-nine percent;~~

11 ~~(j) on or after July 1, 2023 and prior~~  
12 ~~to July 1, 2024, forty-two percent;~~

13 ~~(k) on or after July 1, 2024 and prior~~  
14 ~~to July 1, 2025, thirty-five percent;~~

15 ~~(l) on or after July 1, 2025 and prior~~  
16 ~~to July 1, 2026, twenty-eight percent;~~

17 ~~(m) on or after July 1, 2026 and prior~~  
18 ~~to July 1, 2027, twenty-one percent;~~

19 ~~(n) on or after July 1, 2027 and prior~~  
20 ~~to July 1, 2028, fourteen percent; and~~

21 ~~(o) on or after July 1, 2028 and prior~~  
22 ~~to July 1, 2029, seven percent.]~~

23 A. For a municipality that, on or after January 1,  
24 2016, does not have in effect and has not had in effect at any  
25 time on or after January 1, 2016 a municipal hold harmless

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1 gross receipts tax, a distribution pursuant to Section 7-1-6.1  
2 NMSA 1978 shall be made to the municipality in an amount,  
3 subject to any increase or decrease made pursuant to Section  
4 7-1-6.15 NMSA 1978, equal to the applicable maximum  
5 distribution for the municipality.

6 B. A municipality that has had in effect at any  
7 time on or after January 1, 2016 a municipal hold harmless  
8 gross receipts tax shall not receive a distribution pursuant to  
9 this section.

10 C. The distribution pursuant to [~~Subsections A and~~  
11 ~~B of~~] this section is in lieu of revenue that would have been  
12 received by the municipality but for the deductions provided by  
13 Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall  
14 be considered gross receipts tax revenue and shall be used by  
15 the municipality in the same manner as gross receipts tax  
16 revenue, including payment of gross receipts tax revenue bonds.  
17 [~~A distribution pursuant to this section to a municipality not~~  
18 ~~described in Subsection A of this section or to a municipality~~  
19 ~~that has imposed a gross receipts tax through an ordinance that~~  
20 ~~does not provide a deduction contained in the Gross Receipts~~  
21 ~~and Compensating Tax Act shall not be made on or after July 1,~~  
22 ~~2029.~~

23 ~~D. If the reductions made by this 2013 act to the~~  
24 ~~distributions made pursuant to Subsections A and B of this~~  
25 ~~section impair the ability of a municipality to meet its~~

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1 ~~principal or interest payment obligations for revenue bonds~~  
2 ~~that are outstanding prior to July 1, 2013 and that are secured~~  
3 ~~by the pledge of all or part of the municipality's revenue from~~  
4 ~~the distribution made pursuant to this section, then the amount~~  
5 ~~distributed pursuant to this section to that municipality shall~~  
6 ~~be increased by an amount sufficient to meet the required~~  
7 ~~payment; provided that the total amount distributed to that~~  
8 ~~municipality pursuant to this section does not exceed the~~  
9 ~~amount that would have been due that municipality pursuant to~~  
10 ~~this section as it was in effect on June 30, 2013.]~~

11 D. A distribution pursuant to this section may be  
12 adjusted for a distribution made to a tax increment development  
13 district with respect to a portion of a gross receipts tax  
14 increment dedicated by a municipality pursuant to the Tax  
15 Increment for Development Act.

16 E. For the purposes of this section:

17 (1) "business locations attributable to the  
18 municipality" means business locations:

19 ~~(1)~~ (a) within the municipality;  
20 ~~(2)~~ (b) on land owned by the state,  
21 commonly known as the "state fairgrounds", within the exterior  
22 boundaries of the municipality;

23 ~~(3)~~ (c) outside the boundaries of the  
24 municipality on land owned by the municipality; and

25 ~~(4)~~ (d) on an Indian reservation or

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1 pueblo grant in an area that is contiguous to the municipality  
2 and in which the municipality performs services pursuant to a  
3 contract between the municipality and the Indian tribe or  
4 Indian pueblo if: [~~(a)~~] 1) the contract describes an area in  
5 which the municipality is required to perform services and  
6 requires the municipality to perform services that are  
7 substantially the same as the services the municipality  
8 performs for itself; and [~~(b)~~] 2) the governing body of the  
9 municipality has submitted a copy of the contract to the  
10 secretary;

11 (2) "maximum distribution" means:

12 (a) for a municipality that has a  
13 population of less than ten thousand according to the most  
14 recent federal decennial census, the total deductions claimed  
15 pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month  
16 by taxpayers from business locations attributable to the  
17 municipality multiplied by the sum of the combined rate of all  
18 municipal local option gross receipts taxes in effect in the  
19 municipality for the month plus one and two hundred twenty-five  
20 thousandths percent; and

21 (b) for a municipality that has a  
22 population of ten thousand or more according to the most recent  
23 federal decennial census, the total deductions claimed pursuant  
24 to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month by  
25 taxpayers from business locations attributable to the

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1 municipality multiplied by the sum of the combined rate of all  
2 municipal local option gross receipts taxes in effect in the  
3 municipality on January 1, 2007 plus one and two hundred  
4 twenty-five thousandths percent; and

5 (3) "tax revenue" means the net receipts  
6 attributable to a municipal hold harmless gross receipts tax.

7 ~~[F. A distribution pursuant to this section may be~~  
8 ~~adjusted for a distribution made to a tax increment development~~  
9 ~~district with respect to a portion of a gross receipts tax~~  
10 ~~increment dedicated by a municipality pursuant to the Tax~~  
11 ~~Increment for Development Act.]"~~

12 SECTION 2. Section 7-1-6.47 NMSA 1978 (being Laws 2004,  
13 Chapter 116, Section 2, as amended) is amended to read:

14 "7-1-6.47. DISTRIBUTION TO COUNTIES--OFFSET FOR FOOD  
15 DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES DEDUCTION.--

16 ~~[A. For a county that has not elected to impose a~~  
17 ~~county hold harmless gross receipts tax through an ordinance~~  
18 ~~and that has a population of less than forty-eight thousand~~  
19 ~~according to the most recent federal decennial census, a~~  
20 ~~distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be~~  
21 ~~made to a county in an amount, subject to any increase or~~  
22 ~~decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to~~  
23 ~~the sum of:~~

24 ~~(1) the total deductions claimed pursuant to~~  
25 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~

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1 ~~business locations within a municipality in the county~~  
2 ~~multiplied by the combined rate of all county local option~~  
3 ~~gross receipts taxes in effect for the month that are imposed~~  
4 ~~throughout the county;~~

5 ~~(2) the total deductions claimed pursuant to~~  
6 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~  
7 ~~business locations in the county but not within a municipality~~  
8 ~~multiplied by the combined rate of all county local option~~  
9 ~~gross receipts taxes in effect for the month that are imposed~~  
10 ~~in the county area not within a municipality;~~

11 ~~(3) the total deductions claimed pursuant to~~  
12 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~  
13 ~~business locations within a municipality in the county~~  
14 ~~multiplied by the combined rate of all county local option~~  
15 ~~gross receipts taxes in effect for the month that are imposed~~  
16 ~~throughout the county; and~~

17 ~~(4) the total deductions claimed pursuant to~~  
18 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~  
19 ~~business locations in the county but not within a municipality~~  
20 ~~multiplied by the combined rate of all county local option~~  
21 ~~gross receipts taxes in effect for the month that are imposed~~  
22 ~~in the county area not within a municipality.~~

23 ~~B. For a county not described in Subsection A of~~  
24 ~~this section, a distribution pursuant to Section 7-1-6.1 NMSA~~  
25 ~~1978 shall be made to the county in an amount, subject to any~~

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1 ~~increase or decrease made pursuant to Section 7-1-6.15 NMSA~~  
2 ~~1978, equal to the sum of:~~

3 ~~(1) the total deductions claimed pursuant to~~  
4 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~  
5 ~~business locations within a municipality in the county~~  
6 ~~multiplied by the combined rate of all county local option~~  
7 ~~gross receipts taxes in effect on January 1, 2007 that are~~  
8 ~~imposed throughout the county in the following percentages:~~

9 ~~(a) prior to July 1, 2015, one hundred~~  
10 ~~percent;~~

11 ~~(b) on or after July 1, 2015 and prior~~  
12 ~~to July 1, 2016, ninety-four percent;~~

13 ~~(c) on or after July 1, 2016 and prior~~  
14 ~~to July 1, 2017, eighty-eight percent;~~

15 ~~(d) on or after July 1, 2017 and prior~~  
16 ~~to July 1, 2018, eighty-two percent;~~

17 ~~(e) on or after July 1, 2018 and prior~~  
18 ~~to July 1, 2019, seventy-six percent;~~

19 ~~(f) on or after July 1, 2019 and prior~~  
20 ~~to July 1, 2020, seventy percent;~~

21 ~~(g) on or after July 1, 2020 and prior~~  
22 ~~to July 1, 2021, sixty-three percent;~~

23 ~~(h) on or after July 1, 2021 and prior~~  
24 ~~to July 1, 2022, fifty-six percent;~~

25 ~~(i) on or after July 1, 2022 and prior~~

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1 ~~to July 1, 2023, forty-nine percent;~~

2 ~~(j) on or after July 1, 2023 and prior~~  
3 ~~to July 1, 2024, forty-two percent;~~

4 ~~(k) on or after July 1, 2024 and prior~~  
5 ~~to July 1, 2025, thirty-five percent;~~

6 ~~(l) on or after July 1, 2025 and prior~~  
7 ~~to July 1, 2026, twenty-eight percent;~~

8 ~~(m) on or after July 1, 2026 and prior~~  
9 ~~to July 1, 2027, twenty-one percent;~~

10 ~~(n) on or after July 1, 2027 and prior~~  
11 ~~to July 1, 2028, fourteen percent; and~~

12 ~~(o) on or after July 1, 2028 and prior~~  
13 ~~to July 1, 2029, seven percent;~~

14 ~~(2) the total deductions claimed pursuant to~~  
15 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~  
16 ~~business locations in the county but not within a municipality~~  
17 ~~multiplied by the combined rate of all county local option~~  
18 ~~gross receipts taxes in effect on January 1, 2007 that are~~  
19 ~~imposed in the county area not within a municipality in the~~  
20 ~~following percentages:~~

21 ~~(a) prior to July 1, 2015, one hundred~~  
22 ~~percent;~~

23 ~~(b) on or after July 1, 2015 and prior~~  
24 ~~to July 1, 2016, ninety-four percent;~~

25 ~~(c) on or after July 1, 2016 and prior~~

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1 ~~to July 1, 2017, eighty-eight percent;~~

2 ~~(d) on or after July 1, 2017 and prior~~  
3 ~~to July 1, 2018, eighty-two percent;~~

4 ~~(e) on or after July 1, 2018 and prior~~  
5 ~~to July 1, 2019, seventy-six percent;~~

6 ~~(f) on or after July 1, 2019 and prior~~  
7 ~~to July 1, 2020, seventy percent;~~

8 ~~(g) on or after July 1, 2020 and prior~~  
9 ~~to July 1, 2021, sixty-three percent;~~

10 ~~(h) on or after July 1, 2021 and prior~~  
11 ~~to July 1, 2022, fifty-six percent;~~

12 ~~(i) on or after July 1, 2022 and prior~~  
13 ~~to July 1, 2023, forty-nine percent;~~

14 ~~(j) on or after July 1, 2023 and prior~~  
15 ~~to July 1, 2024, forty-two percent;~~

16 ~~(k) on or after July 1, 2024 and prior~~  
17 ~~to July 1, 2025, thirty-five percent;~~

18 ~~(l) on or after July 1, 2025 and prior~~  
19 ~~to July 1, 2026, twenty-eight percent;~~

20 ~~(m) on or after July 1, 2026 and prior~~  
21 ~~to July 1, 2027, twenty-one percent;~~

22 ~~(n) on or after July 1, 2027 and prior~~  
23 ~~to July 1, 2028, fourteen percent; and~~

24 ~~(o) on or after July 1, 2028 and prior~~  
25 ~~to July 1, 2029, seven percent;~~

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1                   ~~(3) the total deductions claimed pursuant to~~  
2                   ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~  
3                   ~~business locations within a municipality in the county~~  
4                   ~~multiplied by the combined rate of all county local option~~  
5                   ~~gross receipts taxes in effect on January 1, 2007 that are~~  
6                   ~~imposed throughout the county in the following percentages:~~

7                                 ~~(a) prior to July 1, 2015, one hundred~~  
8                                 ~~percent;~~

9                                 ~~(b) on or after July 1, 2015 and prior~~  
10                                ~~to July 1, 2016, ninety-four percent;~~

11                               ~~(c) on or after July 1, 2016 and prior~~  
12                               ~~to July 1, 2017, eighty-eight percent;~~

13                               ~~(d) on or after July 1, 2017 and prior~~  
14                               ~~to July 1, 2018, eighty-two percent;~~

15                               ~~(e) on or after July 1, 2018 and prior~~  
16                               ~~to July 1, 2019, seventy-six percent;~~

17                               ~~(f) on or after July 1, 2019 and prior~~  
18                               ~~to July 1, 2020, seventy percent;~~

19                               ~~(g) on or after July 1, 2020 and prior~~  
20                               ~~to July 1, 2021, sixty-three percent;~~

21                               ~~(h) on or after July 1, 2021 and prior~~  
22                               ~~to July 1, 2022, fifty-six percent;~~

23                               ~~(i) on or after July 1, 2022 and prior~~  
24                               ~~to July 1, 2023, forty-nine percent;~~

25                               ~~(j) on or after July 1, 2023 and prior~~

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1 ~~to July 1, 2024, forty-two percent;~~

2 ~~(k) on or after July 1, 2024 and prior~~  
3 ~~to July 1, 2025, thirty-five percent;~~

4 ~~(l) on or after July 1, 2025 and prior~~  
5 ~~to July 1, 2026, twenty-eight percent;~~

6 ~~(m) on or after July 1, 2026 and prior~~  
7 ~~to July 1, 2027, twenty-one percent;~~

8 ~~(n) on or after July 1, 2027 and prior~~  
9 ~~to July 1, 2028, fourteen percent; and~~

10 ~~(o) on or after July 1, 2028 and prior~~  
11 ~~to July 1, 2029, seven percent; and~~

12 ~~(4) the total deductions claimed pursuant to~~  
13 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~  
14 ~~business locations in the county but not within a municipality~~  
15 ~~multiplied by the combined rate of all county local option~~  
16 ~~gross receipts taxes in effect on January 1, 2007 that are~~  
17 ~~imposed in the county area not within a municipality in the~~  
18 ~~following percentages:~~

19 ~~(a) prior to July 1, 2015, one hundred~~  
20 ~~percent;~~

21 ~~(b) on or after July 1, 2015 and prior~~  
22 ~~to July 1, 2016, ninety-four percent;~~

23 ~~(c) on or after July 1, 2016 and prior~~  
24 ~~to July 1, 2017, eighty-eight percent;~~

25 ~~(d) on or after July 1, 2017 and prior~~

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1 ~~to July 1, 2018, eighty-two percent;~~

2 ~~(e) on or after July 1, 2018 and prior~~  
3 ~~to July 1, 2019, seventy-six percent;~~

4 ~~(f) on or after July 1, 2019 and prior~~  
5 ~~to July 1, 2020, seventy percent;~~

6 ~~(g) on or after July 1, 2020 and prior~~  
7 ~~to July 1, 2021, sixty-three percent;~~

8 ~~(h) on or after July 1, 2021 and prior~~  
9 ~~to July 1, 2022, fifty-six percent;~~

10 ~~(i) on or after July 1, 2022 and prior~~  
11 ~~to July 1, 2023, forty-nine percent;~~

12 ~~(j) on or after July 1, 2023 and prior~~  
13 ~~to July 1, 2024, forty-two percent;~~

14 ~~(k) on or after July 1, 2024 and prior~~  
15 ~~to July 1, 2025, thirty-five percent;~~

16 ~~(l) on or after July 1, 2025 and prior~~  
17 ~~to July 1, 2026, twenty-eight percent;~~

18 ~~(m) on or after July 1, 2026 and prior~~  
19 ~~to July 1, 2027, twenty-one percent;~~

20 ~~(n) on or after July 1, 2027 and prior~~  
21 ~~to July 1, 2028, fourteen percent; and~~

22 ~~(o) on or after July 1, 2028 and prior~~  
23 ~~to July 1, 2029, seven percent.]~~

24 A. For a county that, on or after January 1, 2016,  
25 does not have in effect and has not had in effect at any time

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underscored material = new  
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1 on or after January 1, 2016 a county hold harmless gross  
2 receipts tax, a distribution pursuant to Section 7-1-6.1 NMSA  
3 1978 shall be made to the county in an amount, subject to any  
4 increase or decrease made pursuant to Section 7-1-6.15 NMSA  
5 1978, equal to the applicable maximum distribution for the  
6 county.

7 B. A county that has had in effect at any time on  
8 or after January 1, 2016 a county hold harmless gross receipts  
9 tax shall not receive a distribution pursuant to this section.

10 C. The distribution pursuant to [~~Subsections A and~~  
11 ~~B of~~] this section is in lieu of revenue that would have been  
12 received by the county but for the deductions provided by  
13 Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall  
14 be considered gross receipts tax revenue and shall be used by  
15 the county in the same manner as gross receipts tax revenue,  
16 including payment of gross receipts tax revenue bonds. [~~A~~  
17 ~~distribution pursuant to this section to a county not described~~  
18 ~~in Subsection A of this section or to a county that has imposed~~  
19 ~~a gross receipts tax through an ordinance that does not provide~~  
20 ~~a deduction contained in the Gross Receipts and Compensating~~  
21 ~~Tax Act shall not be made on or after July 1, 2029.~~

22 ~~D. If the reductions made by this 2013 act to the~~  
23 ~~distributions made pursuant to Subsections A and B of this~~  
24 ~~section impair the ability of a county to meet its principal or~~  
25 ~~interest payment obligations for revenue bonds that are~~

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1 ~~outstanding prior to July 1, 2013 and that are secured by the~~  
2 ~~pledge of all or part of the county's revenue from the~~  
3 ~~distribution made pursuant to this section, then the amount~~  
4 ~~distributed pursuant to this section to that county shall be~~  
5 ~~increased by an amount sufficient to meet the required payment;~~  
6 ~~provided that the total amount distributed to that county~~  
7 ~~pursuant to this section does not exceed the amount that would~~  
8 ~~have been due that county pursuant to this section as it was in~~  
9 ~~effect on June 30, 2013.~~

10 ~~E.]~~ D. A distribution pursuant to this section may  
11 be adjusted for a distribution made to a tax increment  
12 development district with respect to a portion of a gross  
13 receipts tax increment dedicated by a county pursuant to the  
14 Tax Increment for Development Act.

15 E. For purposes of this section:

16 (1) "maximum distribution" means:

17 (a) for counties that have a population  
18 of less than forty-eight thousand according to the most recent  
19 federal decennial census, the sum of: 1) the total deductions  
20 claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for  
21 the month by taxpayers from business locations within a  
22 municipality in the county multiplied by the combined rate of  
23 all county local option gross receipts taxes in effect for the  
24 month that are imposed throughout the county; and 2) the total  
25 deductions claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA

.200103.2

underscored material = new  
[bracketed material] = delete

1 1978 for the month by taxpayers from business locations in the  
2 county but not within a municipality multiplied by the combined  
3 rate of all county local option gross receipts taxes in effect  
4 for the month that are imposed in the county area not within a  
5 municipality; and

6 (b) for counties that have a population  
7 of forty-eight thousand or more according to the most recent  
8 federal decennial census, the sum of: 1) the total deductions  
9 claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for  
10 the month by taxpayers from business locations within a  
11 municipality in the county multiplied by the combined rate of  
12 all county local option gross receipts taxes in effect on  
13 January 1, 2007 that are imposed throughout the county; and 2)  
14 the total deductions claimed pursuant to Sections 7-9-92 and  
15 7-9-93 NMSA 1978 for the month by taxpayers from business  
16 locations in the county but not within a municipality  
17 multiplied by the combined rate of all county local option  
18 gross receipts taxes in effect on January 1, 2007 that are  
19 imposed in the county area not within a municipality; and

20 (2) "tax revenue" means the net receipts  
21 attributable to a county hold harmless gross receipts tax."

22 SECTION 3. EFFECTIVE DATE.--The effective date of the  
23 provisions of this act is January 1, 2016.