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AN ACT

RELATING TO TAXATION; REMOVING A RESTRICTION IN THE
DEFINITION OF "CONTROL" IN A GROSS RECEIPTS TAX DEDUCTION FOR
ADMINISTRATIVE AND ACCOUNTING SERVICES.

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

SECTION 1. Section 7-9-69 NMSA 1978 (being Laws 1969,
Chapter 144, Section 61, as amended) is amended to read:

"7-9-69. DEDUCTION--GROSS RECEIPTS TAX--ADMINISTRATIVE
AND ACCOUNTING SERVICES.--

A. Receipts of a business entity for
administrative, managerial, accounting and customer services
performed by it for an affiliate upon a nonprofit or cost
basis and receipts of a business entity from an affiliate for
the joint use or sharing of office machines and facilities
upon a nonprofit or cost basis may be deducted from gross
receipts.

B. For the purposes of this section:

(1) "affiliate" means a business entity that
directly or indirectly through one or more intermediaries
controls, is controlled by or is under common control with
another business entity;

(2) "business entity" means a corporation,
limited liability company, partnership, limited partnership,
limited liability partnership or real estate investment

1 trust, but does not mean an individual or a joint venture;
2 and

3 (3) "control" means equity ownership in a
4 business entity that:

5 (a) represents at least fifty percent
6 of the total voting power of that business entity; or

7 (b) has a value equal to at least fifty
8 percent of the total equity of that business entity."

9 SECTION 2. EFFECTIVE DATE.--The effective date of the
10 provisions of this act is July 1, 2015. _____

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