

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 152

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Sarah Maestas Barnes

AN ACT

RELATING TO TAXATION; PROVIDING A LIMITED-PERIOD DEDUCTION FROM
GROSS RECEIPTS FOR OUTDOOR WATER-CONSERVATION PRODUCTS;
PROVIDING FOR A PUBLIC INFORMATION CAMPAIGN TO PROMOTE THE
DEDUCTION.

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

SECTION 1. A new section of the Gross Receipts and
Compensating Tax Act is enacted to read:

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--SALES OF
WATER-SAVING TANGIBLE PERSONAL PROPERTY--LIMITED PERIOD.--

A. Before 2027, receipts from the sale at retail of
water-saving tangible personal property may be deducted from
gross receipts if the sale occurs during the period beginning
at midnight on the third Sunday of March and ending at midnight
on Saturday of that week.

.202911.1

underscored material = new
~~[bracketed material] = delete~~

underscoring material = new
~~[bracketed material] = delete~~

1 B. The purpose of the deduction provided by this
2 section is to mitigate the effects of drought in New Mexico by
3 creating an incentive for private property owners to reduce
4 their outdoor water consumption through the use of products
5 designed to decrease water waste.

6 C. A taxpayer allowed a deduction in accordance
7 with this section shall report the amount of the deduction
8 separately in a manner required by the department.

9 D. The department shall compile an annual report on
10 the deduction provided by this section that includes the number
11 of taxpayers that claimed the deduction, the aggregate amount
12 of deductions claimed and any other information necessary to
13 evaluate the effectiveness of the deduction. Beginning in
14 2017, the department shall compile and present the report to
15 the revenue stabilization and tax policy committee and the
16 legislative finance committee with an analysis of the cost and
17 benefit to the state of the deduction.

18 E. The New Mexico department of agriculture, in
19 coordination with the taxation and revenue department, shall
20 implement a public information campaign directed to consumers
21 and retail businesses to encourage the retail consumption of
22 water-saving tangible personal property associated with the
23 deduction provided by this section.

24 F. For the purposes of this section, "water-saving
25 tangible personal property":

.202911.1

- 1 (1) means products:
- 2 (a) intended for use on private, shared
- 3 or communal property and not intended for business use, trade
- 4 or resale; and
- 5 (b) whose use or planting in outdoor
- 6 residential properties may result in: 1) water conservation or
- 7 ground water retention; 2) water table recharge; or 3) a
- 8 decrease in ambient air temperature that limits water
- 9 evaporation; and
- 10 (2) includes:
- 11 (a) drought-tolerant live plants, turf
- 12 and grass;
- 13 (b) soaker or drip-irrigation hosing;
- 14 (c) moisture controls for sprinkler or
- 15 irrigation systems;
- 16 (d) mulches and soils;
- 17 (e) rain barrels and alternative rain
- 18 and moisture collection systems;
- 19 (f) permeable ground cover surfaces that
- 20 allow water to reach underground basins, aquifers or water
- 21 collection points;
- 22 (g) plant and grass seeds coated with
- 23 water-saving surfactants; and
- 24 (h) water-saving surfactants."