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SENATE BILL 309

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; REQUIRING THAT THE RECEIPT FOR THE SALE OF A PROFESSIONAL SERVICE OR A BUSINESS SERVICE BE REPORTED FROM THE JURISDICTION WHERE THE SERVICE IS DELIVERED; REQUIRING THAT THE RECEIPT FOR THE SALE OF A LOBBYING SERVICE BE REPORTED FROM THE JURISDICTION WHERE THE ULTIMATE CONSUMER IS DOMICILED, IF THE ULTIMATE CONSUMER IS AN INDIVIDUAL, OR WHERE IT HAS ITS PRINCIPAL PLACE OF BUSINESS IN THIS STATE, IF THE ULTIMATE CONSUMER IS A BUSINESS.

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

SECTION 1. Section 7-1-14 NMSA 1978 (being Laws 1969, Chapter 145, Section 1, as amended) is amended to read:

"7-1-14. SECRETARY MAY DETERMINE WHERE CERTAIN GROSS RECEIPTS ARE TO BE REPORTED--PLACE OF BUSINESS FOR CONSTRUCTION PROJECTS AND CERTAIN REAL PROPERTY SALES--LOCATION OF SALE OF A

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1 PROFESSIONAL SERVICE, BUSINESS SERVICE OR LOBBYING SERVICE.--

2 A. By regulation, the secretary may require any
3 person maintaining one or more places of business to report the
4 person's taxable gross receipts and deductions for each
5 municipality or county or area within an Indian reservation or
6 pueblo grant in which the person maintains a place of business.

7 B. For persons engaged in the construction
8 business, the place where the construction project is performed
9 is a "place of business", and all receipts from that project
10 are to be reported from that place of business.

11 C. The secretary may, by regulation, also require
12 any person maintaining a business outside the boundaries of a
13 municipality on land owned by that municipality to report the
14 person's taxable gross receipts for that municipality.

15 D. For a person engaged in the business of selling
16 real estate, the location of the real property sold is the
17 "place of business", and all receipts from that sale are to be
18 reported from that place of business.

19 E. Except as provided in Subsection F of this
20 section, a receipt for the sale of a professional service or a
21 business service shall be reported from the jurisdiction where
22 the service is delivered to the ultimate consumer of the
23 service. If the jurisdiction cannot be determined, the
24 jurisdiction shall be reasonably approximated.

25 F. Receipts for the sale of lobbying services shall

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1 be reported from the jurisdiction where the ultimate consumer:

2 (1) is domiciled, if the ultimate consumer is
3 an individual; or

4 (2) has its principal place of business in
5 this state, if the ultimate consumer is a business.

6 G. As used in this section:

7 (1) "business services" means the furnishing
8 of labor, time or effort by a person to a business that does
9 not involve the delivery of a specific end product other than
10 reports and other materials that are merely incidental to the
11 required performance. "Business services" includes the
12 furnishing of insurance but does not include construction or
13 the services of employees of a state agency or a local public
14 body; and

15 (2) "professional services" means the services
16 of architects, archaeologists, engineers, surveyors, landscape
17 architects, medical arts practitioners, scientists, management
18 and systems analysts, certified public accountants, registered
19 public accountants, lawyers, psychologists, planners,
20 researchers, construction managers and other persons or
21 businesses providing similar professional services."

22 **SECTION 2. EFFECTIVE DATE.**--The effective date of the
23 provisions of this act is July 1, 2017.