

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 128

**53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

INTRODUCED BY

Carl Trujillo

AN ACT

RELATING TO TAXATION; CREATING GROSS RECEIPTS AND COMPENSATING  
TAX DEDUCTIONS FOR BROADBAND TELECOMMUNICATIONS NETWORK  
FACILITIES COMPONENTS.

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 AND COMPENSATING  
TAX--BROADBAND TELECOMMUNICATIONS NETWORK FACILITIES  
COMPONENTS.--

A. Before July 1, 2028, the value of broadband  
telecommunications network facilities components may be  
deducted in computing compensating tax due.

B. Before July 1, 2028, receipts from the sale or  
lease of broadband telecommunications network facilities

.209529.3

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

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

1 components may be deducted from gross receipts.

2 C. The purpose of the deductions provided by this  
3 section is to promote the deployment of broadband  
4 telecommunications services in New Mexico.

5 D. A taxpayer allowed a deduction provided by this  
6 section shall report the amount of the deduction separately and  
7 as required by the department.

8 E. The department shall compile an annual report on  
9 the deductions provided by this section that includes the  
10 number of taxpayers that claimed the deduction, the aggregate  
11 amount of deductions claimed and any other information  
12 necessary to evaluate the effectiveness of the deductions. The  
13 department shall present the annual report to the revenue  
14 stabilization and tax policy committee and the legislative  
15 finance committee with an analysis of the effectiveness and  
16 cost of the deductions and whether they are performing the  
17 purpose for which they were created.

18 F. As used in this section, "broadband  
19 telecommunications network facilities" means the switching  
20 equipment, transmission facilities, fiber-optic and copper  
21 cables and other items directly related to a system capable  
22 of transmitting internet protocol or other formatted data at  
23 transmission speeds that meet federal communications commission  
24 connect America fund standards, all of which will be owned or  
25 used by a provider of internet access services."

.209529.3

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

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

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2018.