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AN ACT
RELATING TO TAXATION; CREATING A DEDUCTION FROM GROSS
RECEIPTS FOR CONSTRUCTION SERVICES TO IMPLEMENT A FIGHTER
AIRCRAFT PILOT TRAINING MISSION PROJECT AT A NEW MEXICO
MILITARY INSTALLATION.

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

SECTION 1. Section 7-9-106 NMSA 1978 (being Laws 2007,
Chapter 172, Section 8) is repealed and a new Section 7-9-106
NMSA 1978 is enacted to read:

"7-9-106. DEDUCTION--CONSTRUCTION SERVICES AND
EQUIPMENT.--

A. Prior to July 1, 2022, receipts from
construction services to implement a fighter aircraft pilot
training mission project at a New Mexico military
installation pursuant to contracts entered into with the
United States department of defense may be deducted from
gross receipts; provided that the military installation is
located in a class B county with a population greater than
sixty thousand according to the most recent federal decennial
census.

B. The purpose of the deduction provided by this
section is to encourage the permanent relocation of fighter
aircraft squadrons from other states to a military
installation in New Mexico.

1 C. A taxpayer allowed a deduction pursuant to this
2 section shall report the amount of the deduction separately
3 in a manner required by the department.

4 D. The department shall compile an annual report
5 on the deduction provided by this section that shall include
6 the number of taxpayers that claimed the deduction, the
7 aggregate amount of deductions claimed and any other
8 information necessary to evaluate the effectiveness of the
9 deduction. The department shall present the annual report to
10 the revenue stabilization and tax policy committee and the
11 legislative finance committee with an analysis of the
12 effectiveness and cost of the deduction and whether the
13 deduction is performing the purpose for which it was
14 created."

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

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