

HOUSE BILL 6

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; AMENDING PERSONAL INCOME TAX BRACKETS;
LIMITING THE CAPITAL GAINS DEDUCTION FROM NET INCOME; FORGIVING
PENALTIES AND INTEREST FOR CERTAIN INCOME TAX LIABILITIES;
REQUIRING COMBINED REPORTING FOR A UNITARY GROUP; CHANGING
REQUIREMENTS FOR CORPORATIONS TO FILE A CONSOLIDATED RETURN;
AMENDING AND ADDING DEFINITIONS PURSUANT TO THE CORPORATE
INCOME AND FRANCHISE TAX ACT; AMENDING THE UNIFORM DIVISION OF
INCOME FOR TAX PURPOSES ACT TO DETERMINE IN-STATE SALES OF
INTANGIBLES AND SERVICES BASED ON MARKET SOURCING RATHER THAN
COST OF PERFORMANCE; REDUCING THE GROSS RECEIPTS TAX RATE;
PROVIDING THAT THE COMPENSATING TAX RATE SHALL BE IMPOSED AT
THE SAME RATE AS THE GROSS RECEIPTS TAX RATE; PROVIDING FOR
TAXATION OF CERTAIN INTERNET SELLERS PURSUANT TO THE GROSS
RECEIPTS AND COMPENSATING TAX ACT; AMENDING SOURCING RULES FROM
THE PLACE OF BUSINESS OF THE SELLER TO DESTINATION-BASED

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1 SOURCING; PROVIDING FOR THE TAXATION OF FOR-PROFIT, NONPROFIT
2 AND GOVERNMENT HOSPITALS PURSUANT TO THE GROSS RECEIPTS AND
3 COMPENSATING TAX ACT; PROVIDING GROSS RECEIPTS TAX DEDUCTIONS
4 FOR TEMPORARY SERVICES AND CERTAIN NONPROFIT ORGANIZATIONS;
5 INCREASING THE RATE OF THE MOTOR VEHICLE EXCISE TAX TO EQUAL
6 THE GROSS RECEIPTS TAX RATE; INCREASING THE GASOLINE TAX AND
7 THE SPECIAL FUEL EXCISE TAX AND DISTRIBUTING THE REVENUE FROM
8 THOSE INCREASES TO NEW STATE AND LOCAL TRANSPORTATION
9 INFRASTRUCTURE MAINTENANCE FUNDS; IMPOSING A LOCAL OPTION
10 COMPENSATING TAX; LIMITING THE HOLD HARMLESS DISTRIBUTIONS TO
11 LOCAL GOVERNMENTS; REDUCING, THEN ELIMINATING, PREMIUM TAX
12 CREDITS; INCREASING MOTOR VEHICLE REGISTRATION FEES; IMPOSING
13 AN ADDITIONAL REGISTRATION FEE ON ELECTRIC AND HYBRID VEHICLES;
14 AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978;
15 MAKING AN APPROPRIATION.

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. Section 7-1-2 NMSA 1978 (being Laws 1965,
19 Chapter 248, Section 2, as amended) is amended to read:

20 "7-1-2. APPLICABILITY.--The Tax Administration Act
21 applies to and governs:

22 A. the administration and enforcement of the
23 following taxes or tax acts as they now exist or may hereafter
24 be amended:

25 (1) Income Tax Act;

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- 1 (2) Withholding Tax Act;
- 2 (3) [~~Venture Capital Investment~~] Oil and Gas
3 Proceeds and Pass-Through Entity Withholding Tax Act;
- 4 (4) Gross Receipts and Compensating Tax Act,
5 Interstate Telecommunications Gross Receipts Tax Act and [~~any~~
6 ~~state gross receipts tax~~] Leased Vehicle Gross Receipts Tax
7 Act;
- 8 (5) Liquor Excise Tax Act;
- 9 (6) Local Liquor Excise Tax Act;
- 10 (7) any municipal local option gross receipts
11 or compensating tax;
- 12 (8) any county local option gross receipts or
13 compensating tax;
- 14 (9) Special Fuels Supplier Tax Act;
- 15 (10) Gasoline Tax Act;
- 16 (11) petroleum products loading fee, which fee
17 shall be considered a tax for the purpose of the Tax
18 Administration Act;
- 19 (12) Alternative Fuel Tax Act;
- 20 (13) Cigarette Tax Act;
- 21 (14) Estate Tax Act;
- 22 (15) Railroad Car Company Tax Act;
- 23 (16) Investment Credit Act, rural job tax
24 credit, Laboratory Partnership with Small Business Tax Credit
25 Act, Technology Jobs and Research and Development Tax Credit

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1 Act, Film Production Tax Credit Act, Affordable Housing Tax
2 Credit Act and high-wage jobs tax credit;
3 (17) Corporate Income and Franchise Tax Act;
4 (18) Uniform Division of Income for Tax
5 Purposes Act;
6 (19) Multistate Tax Compact;
7 (20) Tobacco Products Tax Act; and
8 (21) the telecommunications relay service
9 surcharge imposed by Section 63-9F-11 NMSA 1978, which
10 surcharge shall be considered a tax for the purposes of the Tax
11 Administration Act;

12 B. the administration and enforcement of the
13 following taxes, surtaxes, advanced payments or tax acts as
14 they now exist or may hereafter be amended:

- 15 (1) Resources Excise Tax Act;
16 (2) Severance Tax Act;
17 (3) any severance surtax;
18 (4) Oil and Gas Severance Tax Act;
19 (5) Oil and Gas Conservation Tax Act;
20 (6) Oil and Gas Emergency School Tax Act;
21 (7) Oil and Gas Ad Valorem Production Tax Act;
22 (8) Natural Gas Processors Tax Act;
23 (9) Oil and Gas Production Equipment Ad
24 Valorem Tax Act;
25 (10) Copper Production Ad Valorem Tax Act;

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1 (11) any advance payment required to be made
2 by any act specified in this subsection, which advance payment
3 shall be considered a tax for the purposes of the Tax
4 Administration Act;

5 (12) Enhanced Oil Recovery Act;

6 (13) Natural Gas and Crude Oil Production
7 Incentive Act; and

8 (14) intergovernmental production tax credit
9 and intergovernmental production equipment tax credit;

10 C. the administration and enforcement of the
11 following taxes, surcharges, fees or acts as they now exist or
12 may hereafter be amended:

13 (1) Weight Distance Tax Act;

14 (2) the workers' compensation fee authorized
15 by Section 52-5-19 NMSA 1978, which fee shall be considered a
16 tax for purposes of the Tax Administration Act;

17 (3) Uniform Unclaimed Property Act (1995);

18 (4) 911 emergency surcharge and the network
19 and database surcharge, which surcharges shall be considered
20 taxes for purposes of the Tax Administration Act;

21 (5) the solid waste assessment fee authorized
22 by the Solid Waste Act, which fee shall be considered a tax for
23 purposes of the Tax Administration Act;

24 (6) the water conservation fee imposed by
25 Section 74-1-13 NMSA 1978, which fee shall be considered a tax

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1 for the purposes of the Tax Administration Act; and

2 (7) the gaming tax imposed pursuant to the
3 Gaming Control Act; and

4 D. the administration and enforcement of all other
5 laws, with respect to which the department is charged with
6 responsibilities pursuant to the Tax Administration Act, but
7 only to the extent that the other laws do not conflict with the
8 Tax Administration Act."

9 SECTION 2. Section 7-1-3 NMSA 1978 (being Laws 1965,
10 Chapter 248, Section 3, as amended) is amended to read:

11 "7-1-3. DEFINITIONS.--Unless the context clearly
12 indicates a different meaning, the definitions of words and
13 phrases as they are stated in this section are to be used, and
14 whenever in the Tax Administration Act these words and phrases
15 appear, the singular includes the plural and the plural
16 includes the singular:

17 A. "automated clearinghouse transaction" means an
18 electronic credit or debit transmitted through an automated
19 clearinghouse payable to the state treasurer and deposited with
20 the fiscal agent of New Mexico;

21 B. "department" means the taxation and revenue
22 department, the secretary or any employee of the department
23 exercising authority lawfully delegated to that employee by the
24 secretary;

25 C. "electronic payment" means a payment made by

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1 automated clearinghouse deposit, any funds wire transfer system
2 or a credit card, debit card or electronic cash transaction
3 through the internet;

4 D. "employee of the department" means any employee
5 of the department, including the secretary, or any person
6 acting as agent or authorized to represent or perform services
7 for the department in any capacity with respect to any law made
8 subject to administration and enforcement under the provisions
9 of the Tax Administration Act;

10 E. "financial institution" means any state or
11 federally chartered, federally insured depository institution;

12 F. "hearing officer" means a person who has been
13 designated by the chief hearing officer to serve as a hearing
14 officer and who is:

15 (1) the chief hearing officer;

16 (2) an employee of the administrative hearings
17 office; or

18 (3) a contractor of the administrative
19 hearings office;

20 G. "Internal Revenue Code" means the Internal
21 Revenue Code of 1986, as that code may be amended or its
22 sections renumbered;

23 H. "levy" means the lawful power, hereby invested
24 in the secretary, to take into possession or to require the
25 present or future surrender to the secretary or the secretary's

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1 delegate of any property or rights to property belonging to a
2 delinquent taxpayer;

3 I. "local option gross receipts tax" means a tax
4 authorized to be imposed by a county or municipality upon ~~[the]~~
5 a taxpayer's gross receipts, as that term is defined in the
6 Gross Receipts and Compensating Tax Act, and required to be
7 collected by the department at the same time and in the same
8 manner as the gross receipts tax; "local option gross receipts
9 tax" includes the taxes imposed on a taxpayer's gross receipts
10 pursuant to the Municipal Local Option Gross Receipts ~~[Taxes]~~
11 and Compensating Tax Act, Supplemental Municipal Gross Receipts
12 Tax Act, County Local Option Gross Receipts ~~[Taxes]~~ and
13 Compensating Tax Act, Local Hospital Gross Receipts Tax Act and
14 County Correctional Facility Gross Receipts Tax Act and such
15 other acts as may be enacted authorizing counties or
16 municipalities to impose taxes on gross receipts, which taxes
17 are to be collected by the department in the same time and in
18 the same manner as it collects the gross receipts tax;

19 J. "managed audit" means a review and analysis
20 conducted by a taxpayer under an agreement with the department
21 to determine the taxpayer's compliance with a tax administered
22 pursuant to the Tax Administration Act and the presentation of
23 the results to the department for assessment of tax found to be
24 due;

25 K. "net receipts" means the total amount of money

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1 paid by taxpayers to the department in a month pursuant to a
2 tax or tax act less any refunds disbursed in that month with
3 respect to that tax or tax act;

4 L. "overpayment" means an amount paid, pursuant to
5 any law subject to administration and enforcement under the
6 provisions of the Tax Administration Act, by a person to the
7 department or withheld from the person in excess of tax due
8 from the person to the state at the time of the payment or at
9 the time the amount withheld is credited against tax due;

10 M. "paid" includes the term "paid over";

11 N. "pay" includes the term "pay over";

12 O. "payment" includes the term "payment over";

13 P. "person" means any individual, estate, trust,
14 receiver, cooperative association, club, corporation, company,
15 firm, partnership, limited liability company, limited liability
16 partnership, joint venture, syndicate, other association or
17 gas, water or electric utility owned or operated by a county or
18 municipality; "person" also means, to the extent permitted by
19 law, a federal, state or other governmental unit or
20 subdivision, or an agency, department or instrumentality
21 thereof; and "person", as used in Sections 7-1-72 through
22 7-1-74 NMSA 1978, also includes an officer or employee of a
23 corporation, a member or employee of a partnership or any
24 individual who, as such, is under a duty to perform any act in
25 respect of which a violation occurs;

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1 Q. "property" means property or rights to property;

2 R. "property or rights to property" means any
3 tangible property, real or personal, or any intangible property
4 of a taxpayer;

5 S. "return" means any tax or information return,
6 application or form, declaration of estimated tax or claim for
7 refund, including any amendments or supplements to the return,
8 required or permitted pursuant to a law subject to
9 administration and enforcement pursuant to the Tax
10 Administration Act and filed with the secretary or the
11 secretary's delegate by or on behalf of any person;

12 T. "return information" means a taxpayer's name,
13 address, government-issued identification number and other
14 identifying information; any information contained in or
15 derived from a taxpayer's return; any information with respect
16 to any actual or possible administrative or legal action by an
17 employee of the department concerning a taxpayer's return, such
18 as audits, managed audits, denial of credits or refunds,
19 assessments of tax, penalty or interest, protests of
20 assessments or denial of refunds or credits, levies or liens;
21 or any other information with respect to a taxpayer's return or
22 tax liability that was not obtained from public sources or that
23 was created by an employee of the department; but "return
24 information" does not include statistical data or other
25 information that cannot be associated with or directly or

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1 indirectly identify a particular taxpayer;

2 U. "secretary" means the secretary of taxation and
3 revenue and, except for purposes of Subsection B of Section
4 7-1-4 NMSA 1978, also includes the deputy secretary or a
5 division director or deputy division director delegated by the
6 secretary;

7 V. "secretary or the secretary's delegate" means
8 the secretary or any employee of the department exercising
9 authority lawfully delegated to that employee by the secretary;

10 W. "security" means money, property or rights to
11 property or a surety bond;

12 X. "state" means any state of the United States,
13 the District of Columbia, the commonwealth of Puerto Rico and
14 any territory or possession of the United States;

15 Y. "tax" means the total amount of each tax imposed
16 and required to be paid, withheld and paid or collected and
17 paid under provision of any law made subject to administration
18 and enforcement according to the provisions of the Tax
19 Administration Act, including the amount of any interest or
20 civil penalty relating thereto; "tax" also means any amount of
21 any abatement of tax made or any credit, rebate or refund paid
22 or credited by the department under any law subject to
23 administration and enforcement under the provisions of the Tax
24 Administration Act to any person contrary to law, including the
25 amount of any interest or civil penalty relating thereto;

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1 Z. "tax return preparer" means a person who
2 prepares for others for compensation or who employs one or more
3 persons to prepare for others for compensation any return of
4 income tax, a substantial portion of any return of income tax,
5 any claim for refund with respect to income tax or a
6 substantial portion of any claim for refund with respect to
7 income tax; provided that a person shall not be a "tax return
8 preparer" merely because such person:

9 (1) furnishes typing, reproducing or other
10 mechanical assistance;

11 (2) is an employee who prepares an income tax
12 return or claim for refund with respect to an income tax return
13 of the employer, or of an officer or employee of the employer,
14 by whom the person is regularly and continuously employed; or

15 (3) prepares as a trustee or other fiduciary
16 an income tax return or claim for refund with respect to income
17 tax for any person; and

18 AA. "taxpayer" means a person liable for payment of
19 any tax; a person responsible for withholding and payment or
20 for collection and payment of any tax; a person to whom an
21 assessment has been made, if the assessment remains unabated or
22 the amount thereof has not been paid; or a person who entered
23 into a special agreement pursuant to Section 7-1-21.1 NMSA 1978
24 to assume the liability of gross receipts tax or governmental
25 gross receipts tax of another person and the special agreement

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1 was approved by the secretary pursuant to the Tax
2 Administration Act."

3 SECTION 3. Section 7-1-6.4 NMSA 1978 (being Laws 1983,
4 Chapter 211, Section 9, as amended) is amended to read:

5 "7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS
6 TAX.--

7 A. Except as provided in Subsection B of this
8 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978
9 shall be made to each municipality in an amount, subject to any
10 increase or decrease made pursuant to Section 7-1-6.15 NMSA
11 1978, equal to the product of the quotient of one and two
12 hundred twenty-five thousandths percent divided by the tax rate
13 imposed by Section 7-9-4 NMSA 1978 multiplied by the net
14 receipts, except net receipts attributable to a nonprofit
15 hospital licensed by the department of health, for the month
16 attributable to the gross receipts tax from business locations:

- 17 (1) within that municipality;
- 18 (2) on land owned by the state, commonly known
19 as the "state fairgrounds", within the exterior boundaries of
20 that municipality;
- 21 (3) outside the boundaries of any municipality
22 on land owned by that municipality; and
- 23 (4) on an Indian reservation or pueblo grant
24 in an area that is contiguous to that municipality and in which
25 the municipality performs services pursuant to a contract

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1 between the municipality and the Indian tribe or Indian pueblo
2 if:

3 (a) the contract describes an area in
4 which the municipality is required to perform services and
5 requires the municipality to perform services that are
6 substantially the same as the services the municipality
7 performs for itself; and

8 (b) the governing body of the
9 municipality has submitted a copy of the contract to the
10 secretary.

11 B. If the reduction made by Laws 1991, Chapter 9,
12 Section 9 to the distribution under this section impairs the
13 ability of a municipality to meet its principal or interest
14 payment obligations for revenue bonds outstanding prior to July
15 1, 1991 that are secured by the pledge of all or part of the
16 municipality's revenue from the distribution made under this
17 section, then the amount distributed pursuant to this section
18 to that municipality shall be increased by an amount sufficient
19 to meet any required payment, provided that the distribution
20 amount does not exceed the amount that would have been due that
21 municipality under this section as it was in effect on June 30,
22 1992.

23 C. A distribution pursuant to this section may be
24 adjusted for a distribution made to a tax increment development
25 district with respect to a portion of a gross receipts tax

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1 increment dedicated by a municipality pursuant to the Tax
2 Increment for Development Act.

3 D. As used in this section, "nonprofit hospital"
4 means a hospital that has been granted exemption from federal
5 income tax by the United States commissioner of internal
6 revenue as an organization described in Section 501(c)(3) of
7 the Internal Revenue Code."

8 SECTION 4. Section 7-1-6.7 NMSA 1978 (being Laws 1994,
9 Chapter 5, Section 2, as amended) is amended to read:

10 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

11 A. A distribution pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to the state aviation fund in an amount
13 equal to four and seventy-nine hundredths percent of the
14 taxable gross receipts attributable to the sale of fuel
15 specially prepared and sold for use in turboprop or jet-type
16 engines as determined by the department.

17 B. A distribution pursuant to Section 7-1-6.1 NMSA
18 1978 shall be made to the state aviation fund in an amount
19 equal to [~~twenty-six hundredths~~] nineteen-hundredths percent of
20 gasoline taxes, exclusive of penalties and interest, collected
21 pursuant to the Gasoline Tax Act.

22 C. From July 1, 2013 through June 30, 2021, a
23 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
24 made to the state aviation fund in an amount equal to forty-six
25 thousandths percent of the net receipts attributable to the

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1 gross receipts tax distributable to the general fund.

2 D. A distribution pursuant to Section 7-1-6.1 NMSA
3 1978 shall be made to the state aviation fund from the net
4 receipts attributable to the gross receipts tax distributable
5 to the general fund in an amount equal to

6 [~~(1) eighty thousand dollars (\$80,000) monthly~~
7 ~~from July 1, 2007 through June 30, 2008;~~

8 ~~(2) one hundred sixty-seven thousand dollars~~
9 ~~(\$167,000) monthly from July 1, 2008 through June 30, 2009; and~~

10 ~~(3)] two hundred fifty thousand dollars~~
11 ~~(\$250,000) [monthly after July 1, 2009]."~~

12 SECTION 5. Section 7-1-6.8 NMSA 1978 (being Laws 1983,
13 Chapter 211, Section 13, as amended) is amended to read:

14 "7-1-6.8. DISTRIBUTION--MOTORBOAT FUEL TAX FUND.--A
15 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
16 made to the motorboat fuel tax fund in an amount equal to
17 [~~thirteen-hundredths of one~~] nine-hundredths percent of the net
18 receipts attributable to the gasoline tax."

19 SECTION 6. Section 7-1-6.9 NMSA 1978 (being Laws 1991,
20 Chapter 9, Section 11, as amended) is amended to read:

21 "7-1-6.9. DISTRIBUTION OF GASOLINE TAXES TO
22 MUNICIPALITIES AND COUNTIES.--

23 A. A distribution pursuant to Section 7-1-6.1 NMSA
24 1978 shall be made in an amount equal to [~~ten and thirty-eight~~]
25 six and fifty-four hundredths percent of the net receipts

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1 attributable to the taxes, exclusive of penalties and interest,
2 imposed by the Gasoline Tax Act.

3 B. The amount determined in Subsection A of this
4 section shall be distributed as follows:

5 (1) ninety percent of the amount shall be paid
6 to the treasurers of municipalities and H class counties in the
7 proportion that the taxable motor fuel sales in each of the
8 municipalities and H class counties bears to the aggregate
9 taxable motor fuel sales in all of these municipalities and H
10 class counties; and

11 (2) ten percent of the amount shall be paid to
12 the treasurers of the counties, including H class counties, in
13 the proportion that the taxable motor fuel sales outside of
14 incorporated municipalities in each of the counties bears to
15 the aggregate taxable motor fuel sales outside of incorporated
16 municipalities in all of the counties.

17 C. Except as provided in Subsection D of this
18 section, this distribution shall be paid into a separate road
19 fund in the municipal treasury or county road fund for
20 expenditure only for construction, reconstruction, resurfacing
21 or other improvement or maintenance of public roads, streets,
22 alleys or bridges, including right-of-way and materials
23 acquisition. Money distributed pursuant to this section may be
24 used by a municipality or county to provide matching funds for
25 projects subject to cooperative agreements entered into with

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1 the department of transportation pursuant to Section 67-3-28
2 NMSA 1978. Any municipality or H class county that has created
3 or that creates a "street improvement fund" to which gasoline
4 tax revenues or distributions are irrevocably pledged under
5 Sections 3-34-1 through 3-34-4 NMSA 1978 or that has pledged
6 all or a portion of gasoline tax revenues or distributions to
7 the payment of bonds shall receive its proportion of the
8 distribution of revenues under this section impressed with and
9 subject to these pledges.

10 D. This distribution may be paid into a separate
11 road fund or the general fund of the municipality or county if
12 the municipality has a population less than three thousand or
13 the county has a population less than four thousand."

14 SECTION 7. Section 7-1-6.10 NMSA 1978 (being Laws 1983,
15 Chapter 211, Section 15, as amended) is amended to read:

16 "7-1-6.10. DISTRIBUTIONS--STATE ROAD FUND.--

17 A. A distribution pursuant to Section 7-1-6.1 NMSA
18 1978 shall be made to the state road fund in an amount equal to
19 the net receipts attributable to the taxes, surcharges,
20 penalties and interest imposed pursuant to the Gasoline Tax Act
21 and to the taxes, surtaxes, fees, penalties and interest
22 imposed pursuant to the Special Fuels Supplier Tax Act and the
23 Alternative Fuel Tax Act less:

24 (1) the amount distributed to the state
25 aviation fund pursuant to Subsection B of Section 7-1-6.7 NMSA

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1 1978;

2 (2) the amount distributed to the motorboat
3 fuel tax fund pursuant to Section 7-1-6.8 NMSA 1978;

4 (3) the amount distributed to municipalities
5 and counties pursuant to [~~Subsection A of~~] Section 7-1-6.9 NMSA
6 1978 and Section 18 of this 2019 act;

7 (4) the amount distributed to the county
8 government road fund pursuant to Section 7-1-6.19 NMSA 1978;

9 (5) the amount distributed to the local
10 governments road fund pursuant to Section 7-1-6.39 NMSA 1978;

11 (6) the amount distributed to the
12 municipalities pursuant to Section 7-1-6.27 NMSA 1978;

13 (7) the amount distributed to the municipal
14 arterial program of the local governments road fund pursuant to
15 Section 7-1-6.28 NMSA 1978;

16 (8) the amount distributed to a qualified
17 tribe pursuant to [~~a gasoline tax sharing agreement entered
18 into between the secretary of transportation and the qualified
19 tribe pursuant to the provisions~~] Subsection A of Section
20 [~~67-3-8.1~~] 7-1-6.44 NMSA 1978; [~~and~~]

21 (9) the amount distributed to the general fund
22 pursuant to Subsection B of Section 7-1-6.44 NMSA 1978; and

23 (10) the amount distributed to the state road
24 maintenance fund pursuant to Section 19 of this 2019 act.

25 B. A distribution pursuant to Section 7-1-6.1 NMSA

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1 1978 shall be made to the state road fund in an amount equal to
2 the net receipts attributable to the taxes, interest and
3 penalties from the Weight Distance Tax Act."

4 SECTION 8. Section 7-1-6.12 NMSA 1978 (being Laws 1983,
5 Chapter 211, Section 17, as amended) is amended to read:

6 "7-1-6.12. TRANSFER--REVENUES FROM MUNICIPAL LOCAL OPTION
7 GROSS RECEIPTS AND COMPENSATING TAXES.--

8 A. A transfer pursuant to Section 7-1-6.1 NMSA 1978
9 shall be made to each municipality for which the department is
10 collecting a local option gross receipts or compensating tax
11 imposed by that municipality in an amount, subject to any
12 increase or decrease made pursuant to Section 7-1-6.15 NMSA
13 1978, equal to the net receipts attributable to the local
14 option gross receipts or compensating tax imposed by that
15 municipality, less any deduction for administrative cost
16 determined and made by the department pursuant to the
17 provisions of the act authorizing imposition by that
18 municipality of the local option gross receipts or compensating
19 tax and any additional administrative fee withheld pursuant to
20 [~~Subsection C of~~] Section 7-1-6.41 NMSA 1978.

21 B. A transfer pursuant to this section may be
22 adjusted for a distribution made to a tax increment development
23 district with respect to a portion of a gross receipts tax
24 increment dedicated by a municipality pursuant to the Tax
25 Increment for Development Act."

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1 SECTION 9. Section 7-1-6.13 NMSA 1978 (being Laws 1983,
2 Chapter 211, Section 18, as amended) is amended to read:

3 "7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION
4 GROSS RECEIPTS AND COMPENSATING TAXES.--

5 A. Except as provided in Subsection B of this
6 section, a transfer pursuant to Section 7-1-6.1 NMSA 1978 shall
7 be made to each county for which the department is collecting a
8 local option gross receipts or compensating tax imposed by that
9 county in an amount, subject to any increase or decrease made
10 pursuant to Section 7-1-6.15 NMSA 1978, equal to the net
11 receipts attributable to the local option gross receipts or
12 compensating tax imposed by that county, less any deduction for
13 administrative cost determined and made by the department
14 pursuant to the provisions of the act authorizing imposition by
15 that county of the local option gross receipts or compensating
16 tax and any additional administrative fee withheld pursuant to
17 [~~Subsection C of~~] Section 7-1-6.41 NMSA 1978.

18 B. A transfer pursuant to this section may be
19 adjusted for a distribution made to a tax increment development
20 district with respect to a portion of a gross receipts tax
21 increment dedicated by a county pursuant to the Tax Increment
22 for Development Act."

23 SECTION 10. Section 7-1-6.15 NMSA 1978 (being Laws 1983,
24 Chapter 211, Section 20, as amended by Laws 2015, Chapter 89,
25 Section 1 and by Laws 2015, Chapter 100, Section 1) is amended

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1 to read:

2 "7-1-6.15. ADJUSTMENTS OF DISTRIBUTIONS OR TRANSFERS TO
3 MUNICIPALITIES OR COUNTIES.--

4 A. The provisions of this section apply to:

5 (1) any distribution to a municipality
6 pursuant to Section 7-1-6.4, 7-1-6.36 or 7-1-6.46 NMSA 1978;

7 (2) any transfer to a municipality with
8 respect to any local option gross receipts or compensating tax
9 imposed by that municipality;

10 (3) any transfer to a county with respect to
11 any local option gross receipts or compensating tax imposed by
12 that county;

13 (4) any distribution to a county pursuant to
14 Section 7-1-6.16 or 7-1-6.47 NMSA 1978;

15 (5) any distribution to a municipality or a
16 county of gasoline taxes pursuant to Section 7-1-6.9 NMSA 1978;

17 (6) any transfer to a county with respect to
18 any tax imposed in accordance with the Local Liquor Excise Tax
19 Act;

20 (7) any distribution to a county from the
21 county government road fund pursuant to Section 7-1-6.26 NMSA
22 1978;

23 (8) any distribution to a municipality of
24 gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978; and

25 (9) any distribution to a municipality or

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1 county of [compensating] gasoline and special fuel excise taxes
2 pursuant to Section [~~7-1-6.55 NMSA 1978~~] 18 of this 2019 act.

3 B. Before making a distribution or transfer
4 specified in Subsection A of this section to a municipality or
5 county for the month, amounts comprising the net receipts shall
6 be segregated into two mutually exclusive categories. One
7 category shall be for amounts relating to the current month,
8 and the other category shall be for amounts relating to prior
9 periods. The total of each category for a municipality or
10 county shall be reported each month to that municipality or
11 county. If the total of the amounts relating to prior periods
12 is less than zero and its absolute value exceeds the greater of
13 one hundred dollars (\$100) or an amount equal to twenty percent
14 of the average distribution or transfer amount for that
15 municipality or county, then the following procedures shall be
16 carried out:

17 (1) all negative amounts relating to any
18 period prior to the three calendar years preceding the year of
19 the current month, net of any positive amounts in that same
20 time period for the same taxpayers to which the negative
21 amounts pertain, shall be excluded from the total relating to
22 prior periods. Except as provided in Paragraph (2) of this
23 subsection, the net receipts to be distributed or transferred
24 to the municipality or county shall be adjusted to equal the
25 amount for the current month plus the revised total for prior

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1 periods; and

2 (2) if the revised total for prior periods
3 determined pursuant to Paragraph (1) of this subsection is
4 negative and its absolute value exceeds the greater of one
5 hundred dollars (\$100) or an amount equal to twenty percent of
6 the average distribution or transfer amount for that
7 municipality or county, the revised total for prior periods
8 shall be excluded from the distribution or transfers and the
9 net receipts to be distributed or transferred to the
10 municipality or county shall be equal to the amount for the
11 current month.

12 C. The department shall recover from a municipality
13 or county the amount excluded by Paragraph (2) of Subsection B
14 of this section. This amount may be referred to as the
15 "recoverable amount".

16 D. Prior to or concurrently with the distribution
17 or transfer to the municipality or county of the adjusted net
18 receipts, the department shall notify the municipality or
19 county whose distribution or transfer has been adjusted
20 pursuant to Paragraph (2) of Subsection B of this section:

21 (1) that the department has made such an
22 adjustment, that the department has determined that a specified
23 amount is recoverable from the municipality or county and that
24 the department intends to recover that amount from future
25 distributions or transfers to the municipality or county;

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1 (2) that the municipality or county has ninety
2 days from the date notice is made to enter into a mutually
3 agreeable repayment agreement with the department;

4 (3) that if the municipality or county takes
5 no action within the ninety-day period, the department will
6 recover the amount from the next six distributions or transfers
7 following the expiration of the ninety days; and

8 (4) that the municipality or county may
9 inspect, pursuant to Section 7-1-8.9 NMSA 1978, an application
10 for a claim for refund that gave rise to the recoverable
11 amount, exclusive of any amended returns that may be attached
12 to the application.

13 E. No earlier than ninety days from the date notice
14 pursuant to Subsection D of this section is given, the
15 department shall begin recovering the recoverable amount from a
16 municipality or county as follows:

17 (1) the department may collect the recoverable
18 amount by:

19 (a) decreasing distributions or
20 transfers to the municipality or county in accordance with a
21 repayment agreement entered into with the municipality or
22 county; or

23 (b) except as provided in Paragraphs (2)
24 and (3) of this subsection, if the municipality or county fails
25 to act within the ninety days, decreasing the amount of the

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1 next six distributions or transfers to the municipality or
2 county following expiration of the ninety-day period in
3 increments as nearly equal as practicable and sufficient to
4 recover the amount;

5 (2) if, pursuant to Subsection B of this
6 section, the secretary determines that the recoverable amount
7 is more than fifty percent of the average distribution or
8 transfer of net receipts for that municipality or county, the
9 secretary:

10 (a) shall recover only up to fifty
11 percent of the average distribution or transfer of net receipts
12 for that municipality or county; and

13 (b) may, in the secretary's discretion,
14 waive recovery of any portion of the recoverable amount,
15 subject to approval by the state board of finance; and

16 (3) if, after application of a refund claim,
17 audit adjustment, correction of a mistake by the department or
18 other adjustment of a prior period, but prior to any recovery
19 of the department pursuant to this section, the total net
20 receipts of a municipality or county for the twelve-month
21 period beginning with the current month are reduced or are
22 projected to be reduced to less than fifty percent of the
23 average distribution or transfer of net receipts, the secretary
24 may waive recovery of any portion of the recoverable amount,
25 subject to approval by the state board of finance.

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1 F. No later than ninety days from the date notice
2 pursuant to Subsection D of this section is given, the
3 department shall provide the municipality or county adequate
4 opportunity to review an application for a claim for refund
5 that gave rise to the recoverable amount, exclusive of any
6 amended returns that may be attached to the application,
7 pursuant to Section 7-1-8.9 NMSA 1978.

8 G. On or before September 1 of each year beginning
9 in 2016, the secretary shall report to the state board of
10 finance and the legislative finance committee the total
11 recoverable amount waived pursuant to Subparagraph (b) of
12 Paragraph (2) and Paragraph (3) of Subsection E of this section
13 for each municipality and county in the prior fiscal year.

14 H. The secretary is authorized to decrease a
15 distribution or transfer to a municipality or county upon being
16 directed to do so by the secretary of finance and
17 administration pursuant to the State Aid Intercept Act or to
18 redirect a distribution or transfer to the New Mexico finance
19 authority pursuant to an ordinance or a resolution passed by
20 the county or municipality and a written agreement of the
21 municipality or county and the New Mexico finance authority.
22 Upon direction to decrease a distribution or transfer or notice
23 to redirect a distribution or transfer to a municipality or
24 county, the secretary shall decrease or redirect the next
25 designated distribution or transfer, and succeeding

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1 distributions or transfers as necessary, by the amount of the
2 state distributions intercept authorized by the secretary of
3 finance and administration pursuant to the State Aid Intercept
4 Act or by the amount of the state distribution intercept
5 authorized pursuant to an ordinance or a resolution passed by
6 the county or municipality and a written agreement with the New
7 Mexico finance authority. The secretary shall transfer the
8 state distributions intercept amount to the municipal or county
9 treasurer or other person designated by the secretary of
10 finance and administration or to the New Mexico finance
11 authority pursuant to written agreement to pay the debt service
12 to avoid default on qualified local revenue bonds or meet other
13 local revenue bond, loan or other debt obligations of the
14 municipality or county to the New Mexico finance authority. A
15 decrease to or redirection of a distribution or transfer
16 pursuant to this subsection that arose:

17 (1) prior to an adjustment of a distribution
18 or transfer of net receipts creating a recoverable amount owed
19 to the department takes precedence over any collection of any
20 recoverable amount pursuant to Paragraph (2) of Subsection B of
21 this section, which may be made only from the net amount of the
22 distribution or transfer remaining after application of the
23 decrease or redirection pursuant to this subsection; and

24 (2) after an adjustment of a distribution or
25 transfer of net receipts creating a recoverable amount owed to

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1 the department shall be subordinate to any collection of any
2 recoverable amount pursuant to Paragraph (2) of Subsection B of
3 this section.

4 I. Upon the direction of the secretary of finance
5 and administration pursuant to Section 9-6-5.2 NMSA 1978, the
6 secretary shall temporarily withhold the balance of a
7 distribution to a municipality or county, net of any decrease
8 or redirected amount pursuant to Subsection H of this section
9 and any recoverable amount pursuant to Paragraph (2) of
10 Subsection B of this section, that has failed to submit an
11 audit report required by the Audit Act or a financial report
12 required by Subsection F of Section 6-6-2 NMSA 1978. The
13 amount to be withheld, the source of the withheld distribution
14 and the number of months that the distribution is to be
15 withheld shall be as directed by the secretary of finance and
16 administration. A distribution withheld pursuant to this
17 subsection shall remain in the tax administration suspense fund
18 until distributed to the municipality or county and shall not
19 be distributed to the general fund. An amount withheld
20 pursuant to this subsection shall be distributed to the
21 municipality or county upon direction of the secretary of
22 finance and administration.

23 J. As used in this section:

24 (1) "amounts relating to the current month"
25 means any amounts included in the net receipts of the current

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1 month that represent payment of tax due for the current month,
2 correction of amounts processed in the current month that
3 relate to the current month or that otherwise relate to
4 obligations due for the current month;

5 (2) "amounts relating to prior periods" means
6 any amounts processed during the current month that adjust
7 amounts processed in a period or periods prior to the current
8 month regardless of whether the adjustment is a correction of a
9 department error or due to the filing of amended returns,
10 payment of department-issued assessments, filing or approval of
11 claims for refund, audit adjustments or other cause;

12 (3) "average distribution or transfer amount"
13 means the following amounts; provided that a distribution or
14 transfer that is negative shall not be used in calculating the
15 amounts:

16 (a) the annual average of the total
17 amount distributed or transferred to a municipality or county
18 in each of the three twelve-month periods preceding the current
19 month;

20 (b) if a distribution or transfer to a
21 municipality or county has been made for less than three years,
22 the total amount distributed or transferred in the year
23 preceding the current month; or

24 (c) if a municipality or county has not
25 received distributions or transfers of net receipts for twelve

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1 or more months, the monthly average of net receipts distributed
2 or transferred to the municipality or county preceding the
3 current month multiplied by twelve;

4 (4) "current month" means the month for which
5 the distribution or transfer is being prepared; and

6 (5) "repayment agreement" means an agreement
7 between the department and a municipality or county under which
8 the municipality or county agrees to allow the department to
9 recover an amount determined pursuant to Paragraph (2) of
10 Subsection B of this section by decreasing distributions or
11 transfers to the municipality or county for one or more months
12 beginning with the distribution or transfer to be made with
13 respect to a designated month. No interest shall be charged."

14 SECTION 11. Section 7-1-6.19 NMSA 1978 (being Laws 1991,
15 Chapter 9, Section 15, as amended) is amended to read:

16 "7-1-6.19. DISTRIBUTION--COUNTY GOVERNMENT ROAD FUND
17 CREATED.--

18 A. There is created in the state treasury the
19 "county government road fund".

20 B. A distribution pursuant to Section 7-1-6.1 NMSA
21 1978 shall be made to the county government road fund in an
22 amount equal to [~~five and seventy-six~~] three and sixty-three
23 hundredths percent of the net receipts attributable to the
24 gasoline tax."

25 SECTION 12. Section 7-1-6.27 NMSA 1978 (being Laws 1991,

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1 Chapter 9, Section 20, as amended) is amended to read:

2 "7-1-6.27. DISTRIBUTION--MUNICIPAL ROADS.--

3 A. A distribution pursuant to Section 7-1-6.1 NMSA
4 1978 shall be made to municipalities for the purposes and
5 amounts specified in this section in an aggregate amount equal
6 to [~~five and seventy-six~~] three and sixty-three hundredths
7 percent of the net receipts attributable to the gasoline tax.

8 B. The distribution authorized in this section
9 shall be used for the following purposes:

10 (1) reconstructing, resurfacing, maintaining,
11 repairing or otherwise improving existing alleys, streets,
12 roads or bridges, or any combination of the foregoing; or
13 laying off, opening, constructing or otherwise acquiring new
14 alleys, streets, roads or bridges, or any combination of the
15 foregoing; provided that any of the foregoing improvements may
16 include [~~but are not limited to~~] the acquisition of rights of
17 way;

18 (2) to provide matching funds for projects
19 subject to cooperative agreements with the [~~state highway and~~]
20 department of transportation [~~department~~] pursuant to Section
21 67-3-28 NMSA 1978; and

22 (3) for expenses of purchasing, maintaining
23 and operating transit operations and facilities, for the
24 operation of a transit authority established by the Municipal
25 Transit Law and for the operation of a vehicle emission

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1 inspection program. A municipality may engage in the business
2 of the transportation of passengers and property within the
3 political subdivision by whatever means the municipality may
4 decide and may acquire cars, trucks, motor buses and other
5 equipment necessary for operating the business. A municipality
6 may acquire land, erect buildings and equip the buildings with
7 all the necessary machinery and facilities for the operation,
8 maintenance, modification, repair and storage of the cars,
9 trucks, motor buses and other equipment needed. A municipality
10 may do all things necessary for the acquisition and the conduct
11 of the business of public transportation.

12 C. For the purposes of this section:

13 (1) "computed distribution amount" means the
14 distribution amount calculated for a municipality for a month
15 pursuant to Paragraph (2) of Subsection D of this section prior
16 to any adjustments to the amount due to the provisions of
17 Subsections E and F of this section;

18 (2) "floor amount" means four hundred
19 seventeen dollars (\$417);

20 (3) "floor municipality" means a municipality
21 whose computed distribution amount is less than the floor
22 amount; and

23 (4) "full distribution municipality" means a
24 municipality whose population at the last federal decennial
25 census was at least two hundred thousand.

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1 D. Subject to the provisions of Subsections E and F
2 of this section, each municipality shall be distributed a
3 portion of the aggregate amount distributable under this
4 section in an amount equal to the greater of:

- 5 (1) the floor amount; or
- 6 (2) eighty-five percent of the aggregate
7 amount distributable under this section times a fraction, the
8 numerator of which is the municipality's reported taxable
9 gallons of gasoline for the immediately preceding state fiscal
10 year and the denominator of which is the reported total taxable
11 gallons for all municipalities for the same period.

12 E. Fifteen percent of the aggregate amount
13 distributable under this section shall be referred to as the
14 "redistribution amount". Beginning in August 1990, and each
15 month thereafter, from the redistribution amount there shall be
16 taken an amount sufficient to increase the computed
17 distribution amount of every floor municipality to the floor
18 amount. In the event that the redistribution amount is
19 insufficient for this purpose, the computed distribution amount
20 for each floor municipality shall be increased by an amount
21 equal to the redistribution amount times a fraction, the
22 numerator of which is the difference between the floor amount
23 and the municipality's computed distribution amount and the
24 denominator of which is the difference between the product of
25 the floor amount multiplied by the number of floor

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1 municipalities and the total of the computed distribution
2 amounts for all floor municipalities.

3 F. If a balance remains after the redistribution
4 amount has been reduced pursuant to Subsection E of this
5 section, there shall be added to the computed distribution
6 amount of each municipality that is neither a full distribution
7 municipality nor a floor municipality an amount that equals the
8 balance of the redistribution amount times a fraction, the
9 numerator of which is the computed distribution amount of the
10 municipality and the denominator of which is the sum of the
11 computed distribution amounts of all municipalities that are
12 neither full distribution municipalities nor floor
13 municipalities."

14 SECTION 13. Section 7-1-6.28 NMSA 1978 (being Laws 1991,
15 Chapter 9, Section 22, as amended) is amended to read:

16 "7-1-6.28. DISTRIBUTION--MUNICIPAL ARTERIAL PROGRAM OF
17 LOCAL GOVERNMENTS ROAD FUND.--A distribution pursuant to
18 Section 7-1-6.1 NMSA 1978 shall be made to the municipal
19 arterial program of the local governments road fund created in
20 Section 67-3-28.2 NMSA 1978 in an amount equal to [~~one and~~
21 ~~forty-four~~] ninety-one hundredths percent of the net receipts
22 attributable to the gasoline tax."

23 SECTION 14. Section 7-1-6.38 NMSA 1978 (being Laws 1994,
24 Chapter 145, Section 1, as amended) is amended to read:

25 "7-1-6.38. DISTRIBUTION--GOVERNMENTAL GROSS RECEIPTS

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1 TAX.--

2 A. A distribution pursuant to Section 7-1-6.1 NMSA
3 1978 shall be made in amounts equal to the following
4 percentages of the net receipts attributable to the
5 governmental gross receipts tax, less the net receipts
6 attributable to a hospital licensed by the department of
7 health:

8 (1) seventy-five percent to the public project
9 revolving fund administered by the New Mexico finance
10 authority; [~~in an amount equal to seventy-five percent of the~~
11 ~~net receipts attributable to the governmental gross receipts~~
12 ~~tax.~~

13 ~~B. A distribution pursuant to Section 7-1-6.1 NMSA~~
14 ~~1978 shall be made]~~

15 (2) twenty-four percent to the energy,
16 minerals and natural resources department [~~in an amount equal~~
17 ~~to twenty-four percent of the net receipts attributable to the~~
18 ~~governmental gross receipts tax]; provided that forty-one and
19 two-thirds percent of the distribution is appropriated to the
20 energy, minerals and natural resources department to implement
21 the provisions of the New Mexico Youth Conservation Corps Act
22 and fifty-eight and one-third percent of the distribution is
23 appropriated to the energy, minerals and natural resources
24 department for state park and recreation area capital
25 improvements, including the costs of planning, engineering,~~

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1 design, construction, renovation, repair, equipment and
2 furnishings;

3 ~~[C. A distribution pursuant to Section 7-1-6.1 NMSA~~
4 ~~1978 shall be made]~~ and

5 (3) one percent to the ~~[office of]~~ cultural
6 affairs ~~[in an amount equal to one percent of the net receipts~~
7 ~~attributable to the governmental gross receipts tax]~~ department
8 for capital improvements at state museums and monuments
9 administered by the ~~[office of]~~ cultural affairs department.

10 ~~[D.]~~ B. The state pledges to and agrees with the
11 holders of any bonds or notes issued by the New Mexico finance
12 authority or by the energy, minerals and natural resources
13 department and payable from the net receipts attributable to
14 the governmental gross receipts tax distributed to the New
15 Mexico finance authority or the energy, minerals and natural
16 resources department pursuant to this section that the state
17 will not limit, reduce or alter the distribution of the net
18 receipts attributable to the governmental gross receipts tax to
19 the New Mexico finance authority or the energy, minerals and
20 natural resources department or limit, reduce or alter the rate
21 of imposition of the governmental gross receipts tax until the
22 bonds or notes together with the interest thereon are fully met
23 and discharged. The New Mexico finance authority and the
24 energy, minerals and natural resources department are
25 authorized to include this pledge and agreement of the state in

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1 any agreement with the holders of the bonds or notes."

2 SECTION 15. Section 7-1-6.39 NMSA 1978 (being Laws 1995,
3 Chapter 6, Section 9, as amended) is amended to read:

4 "7-1-6.39. DISTRIBUTION OF SPECIAL FUEL EXCISE TAX TO
5 LOCAL GOVERNMENTS ROAD FUND.--A distribution pursuant to
6 Section 7-1-6.1 NMSA 1978 shall be made to the local
7 governments road fund in an amount equal to [~~nine and fifty-~~
8 ~~two~~] seven and sixty-nine hundredths percent of the net
9 receipts attributable to the taxes, exclusive of penalties and
10 interest, from the special fuel excise tax imposed by the
11 Special Fuels Supplier Tax Act."

12 SECTION 16. Section 7-1-6.46 NMSA 1978 (being Laws 2004,
13 Chapter 116, Section 1, as amended) is amended to read:

14 "7-1-6.46. DISTRIBUTION TO MUNICIPALITIES--OFFSET FOR
15 FOOD DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES
16 DEDUCTION.--

17 A. For a municipality that [~~has not elected to~~
18 ~~impose~~] does not have in effect a municipal hold harmless gross
19 receipts tax through an ordinance and that has a population of
20 less than ten thousand according to the most recent federal
21 decennial census, a distribution pursuant to Section 7-1-6.1
22 NMSA 1978 shall be made to [~~a~~] the municipality in an amount,
23 subject to any increase or decrease made pursuant to Section
24 7-1-6.15 NMSA 1978, equal to the [~~sum of:~~

25 (~~1) the total deductions claimed pursuant to~~

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1 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
2 ~~business locations attributable to the municipality multiplied~~
3 ~~by the sum of the combined rate of all municipal local option~~
4 ~~gross receipts taxes in effect in the municipality for the~~
5 ~~month plus one and two hundred twenty-five thousandths percent;~~
6 ~~and~~

7 ~~(2) the total deductions claimed pursuant to~~
8 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
9 ~~business locations attributable to the municipality multiplied~~
10 ~~by the sum of the combined rate of all municipal local option~~
11 ~~gross receipts taxes in effect in the municipality for the~~
12 ~~month plus one and two hundred twenty-five thousandths percent]~~
13 applicable maximum distribution for the municipality.

14 B. For a municipality not described in Subsection A
15 of this section, a distribution pursuant to Section 7-1-6.1
16 NMSA 1978 shall be made to the municipality in an amount,
17 subject to any increase or decrease made pursuant to Section
18 7-1-6.15 NMSA 1978, equal to the ~~[sum of:~~

19 ~~(1) the total deductions claimed pursuant to~~
20 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
21 ~~business locations attributable to the municipality multiplied~~
22 ~~by the sum of the combined rate of all municipal local option~~
23 ~~gross receipts taxes in effect in the municipality on January~~
24 ~~1, 2007 plus one and two hundred twenty-five thousandths~~
25 ~~percent in the following percentages:~~

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1 ~~(a) prior to July 1, 2015, one hundred~~
2 ~~percent;~~

3 ~~(b) on or after July 1, 2015 and prior~~
4 ~~to July 1, 2016, ninety-four percent;~~

5 ~~(c) on or after July 1, 2016 and prior~~
6 ~~to July 1, 2017, eighty-eight percent;~~

7 ~~(d) on or after July 1, 2017 and prior~~
8 ~~to July 1, 2018, eighty-two percent;~~

9 ~~(e) on or after July 1, 2018 and prior~~
10 ~~to July 1, 2019, seventy-six percent;~~

11 ~~(f) on or after July 1, 2019 and prior~~
12 ~~to July 1, 2020, seventy percent;~~

13 ~~(g) on or after July 1, 2020 and prior~~
14 ~~to July 1, 2021, sixty-three percent;~~

15 ~~(h) on or after July 1, 2021 and prior~~
16 ~~to July 1, 2022, fifty-six percent;~~

17 ~~(i) on or after July 1, 2022 and prior~~
18 ~~to July 1, 2023, forty-nine percent;~~

19 ~~(j) on or after July 1, 2023 and prior~~
20 ~~to July 1, 2024, forty-two percent;~~

21 ~~(k) on or after July 1, 2024 and prior~~
22 ~~to July 1, 2025, thirty-five percent;~~

23 ~~(l) on or after July 1, 2025 and prior~~
24 ~~to July 1, 2026, twenty-eight percent;~~

25 ~~(m) on or after July 1, 2026 and prior~~

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1 ~~to July 1, 2027, twenty-one percent;~~

2 ~~(n) on or after July 1, 2027 and prior~~
3 ~~to July 1, 2028, fourteen percent; and~~

4 ~~(o) on or after July 1, 2028 and prior~~
5 ~~to July 1, 2029, seven percent; and~~

6 ~~(2) the total deductions claimed pursuant to~~
7 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
8 ~~business locations attributable to the municipality multiplied~~
9 ~~by the sum of the combined rate of all municipal local option~~
10 ~~gross receipts taxes in effect in the municipality on January~~
11 ~~1, 2007 plus one and two hundred twenty-five thousandths~~
12 ~~percent in] applicable maximum distribution for the~~
13 ~~municipality multiplied by the following percentages:~~

14 ~~[(a) prior to July 1, 2015, one hundred~~
15 ~~percent;~~

16 ~~(b) on or after July 1, 2015 and prior~~
17 ~~to July 1, 2016, ninety-four percent;~~

18 ~~(c) on or after July 1, 2016 and prior~~
19 ~~to July 1, 2017, eighty-eight percent;~~

20 ~~(d) on or after July 1, 2017 and prior~~
21 ~~to July 1, 2018, eighty-two percent;~~

22 ~~(e) on or after July 1, 2018 and prior~~
23 ~~to July 1, 2019, seventy-six percent;~~

24 ~~(f)] (1) on or after July 1, 2019 and prior to~~
25 ~~July 1, 2020, seventy percent;~~

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1 ~~[(g)]~~ (2) on or after July 1, 2020 and prior
2 to July 1, 2021, sixty-three percent; and

3 ~~[(h)]~~ (3) on or after July 1, 2021, ~~[and prior~~
4 ~~to July 1, 2022, fifty-six percent;~~

5 ~~(i) on or after July 1, 2022 and prior~~
6 ~~to July 1, 2023, forty-nine percent;~~

7 ~~(j) on or after July 1, 2023 and prior~~
8 ~~to July 1, 2024, forty-two percent;~~

9 ~~(k) on or after July 1, 2024 and prior~~
10 ~~to July 1, 2025, thirty-five percent;~~

11 ~~(l) on or after July 1, 2025 and prior~~
12 ~~to July 1, 2026, twenty-eight percent;~~

13 ~~(m) on or after July 1, 2026 and prior~~
14 ~~to July 1, 2027, twenty-one percent;~~

15 ~~(n) on or after July 1, 2027 and prior~~
16 ~~to July 1, 2028, fourteen percent; and~~

17 ~~(o) on or after July 1, 2028 and prior~~
18 ~~to July 1, 2029, seven] zero percent.~~

19 C. ~~[The]~~ A distribution pursuant to ~~[Subsections A~~
20 ~~and B of]~~ this section is in lieu of revenue that would have
21 been received by the municipality but for the deductions
22 provided by Sections 7-9-92 and 7-9-93 NMSA 1978. The
23 distribution shall be considered gross receipts tax revenue and
24 shall be used by the municipality in the same manner as gross
25 receipts tax revenue, including payment of gross receipts tax

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1 revenue bonds. [~~A distribution pursuant to this section to a~~
2 ~~municipality not described in Subsection A of this section or~~
3 ~~to a municipality that has imposed a gross receipts tax through~~
4 ~~an ordinance that does not provide a deduction contained in the~~
5 ~~Gross Receipts and Compensating Tax Act shall not be made on or~~
6 ~~after July 1, 2029.~~]

7 D. If the [~~reductions~~] changes made by this [2013]
8 2019 act to the distributions made pursuant to [~~Subsections A~~
9 ~~and B of~~] this section impair the ability of a municipality to
10 meet its principal or interest payment obligations for revenue
11 bonds that are outstanding prior to July 1, [2013] 2019 and
12 that are secured by the pledge of all or part of the
13 municipality's revenue from the distribution made pursuant to
14 this section, the municipality shall substitute the revenue
15 with other legally available revenue of the municipality that
16 has not been pledged to any other debt. If the municipality
17 does not have other legally available revenue available to pay
18 all or part of the municipality's obligations, then the amount
19 distributed pursuant to this section to that municipality shall
20 be increased by an amount sufficient to meet the required
21 payment; provided that the total amount distributed to that
22 municipality pursuant to this section does not exceed the
23 amount that would have been due that municipality pursuant to
24 this section as it was in effect on June 30, [2013] 2019.

25 E. For the purposes of this section:

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1 (1) "business locations attributable to the
2 municipality" means business locations:

3 ~~[(1)]~~ (a) within the municipality;
4 ~~[(2)]~~ (b) on land owned by the state,
5 commonly known as the "state fairgrounds", within the exterior
6 boundaries of the municipality;

7 ~~[(3)]~~ (c) outside the boundaries of the
8 municipality on land owned by the municipality; and

9 ~~[(4)]~~ (d) on an Indian reservation or
10 pueblo grant in an area that is contiguous to the municipality
11 and in which the municipality performs services pursuant to a
12 contract between the municipality and the Indian tribe or
13 Indian pueblo if: ~~[(a)]~~ 1) the contract describes an area in
14 which the municipality is required to perform services and
15 requires the municipality to perform services that are
16 substantially the same as the services the municipality
17 performs for itself; and ~~[(b)]~~ 2) the governing body of the
18 municipality has submitted a copy of the contract to the
19 secretary; and

20 (2) "maximum distribution" means:

21 (a) for a municipality that has a
22 population of less than ten thousand according to the most
23 recent federal decennial census, the total deductions claimed
24 pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month
25 by taxpayers from business locations attributable to the

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1 municipality multiplied by the sum of the combined rate of all
2 municipal local option gross receipts taxes in effect in the
3 municipality for the month; and

4 (b) for a municipality that has a
5 population of ten thousand or more according to the most recent
6 federal decennial census, the total deductions claimed pursuant
7 to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month by
8 taxpayers from business locations attributable to the
9 municipality multiplied by the sum of the combined rate of all
10 municipal local option gross receipts taxes in effect in the
11 municipality on January 1, 2007 plus one percent.

12 F. A distribution pursuant to this section may be
13 adjusted for a distribution made to a tax increment development
14 district with respect to a portion of a gross receipts tax
15 increment dedicated by a municipality pursuant to the Tax
16 Increment for Development Act."

17 SECTION 17. Section 7-1-6.47 NMSA 1978 (being Laws 2004,
18 Chapter 116, Section 2, as amended) is amended to read:

19 "7-1-6.47. DISTRIBUTION TO COUNTIES--OFFSET FOR FOOD
20 DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES DEDUCTION.--

21 A. For a county that ~~[has not elected to impose]~~
22 does not have in effect a county hold harmless gross receipts
23 tax through an ordinance and that has a population of less than
24 forty-eight thousand according to the most recent federal
25 decennial census, a distribution pursuant to Section 7-1-6.1

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1 NMSA 1978 shall be made to [~~a~~] the county in an amount, subject
2 to any increase or decrease made pursuant to Section 7-1-6.15
3 NMSA 1978, equal to the [~~sum of:~~

4 ~~(1) the total deductions claimed pursuant to~~
5 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
6 ~~business locations within a municipality in the county~~
7 ~~multiplied by the combined rate of all county local option~~
8 ~~gross receipts taxes in effect for the month that are imposed~~
9 ~~throughout the county;~~

10 ~~(2) the total deductions claimed pursuant to~~
11 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
12 ~~business locations in the county but not within a municipality~~
13 ~~multiplied by the combined rate of all county local option~~
14 ~~gross receipts taxes in effect for the month that are imposed~~
15 ~~in the county area not within a municipality;~~

16 ~~(3) the total deductions claimed pursuant to~~
17 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
18 ~~business locations within a municipality in the county~~
19 ~~multiplied by the combined rate of all county local option~~
20 ~~gross receipts taxes in effect for the month that are imposed~~
21 ~~throughout the county; and~~

22 ~~(4) the total deductions claimed pursuant to~~
23 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
24 ~~business locations in the county but not within a municipality~~
25 ~~multiplied by the combined rate of all county local option~~

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1 ~~gross receipts taxes in effect for the month that are imposed~~
2 ~~in the county area not within a municipality] applicable~~
3 maximum distribution for the county.

4 B. For a county not described in Subsection A of
5 this section, a distribution pursuant to Section 7-1-6.1 NMSA
6 1978 shall be made to the county in an amount, subject to any
7 increase or decrease made pursuant to Section 7-1-6.15 NMSA
8 1978, equal to the ~~[sum of:~~

9 ~~(1) the total deductions claimed pursuant to~~
10 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
11 ~~business locations within a municipality in the county~~
12 ~~multiplied by the combined rate of all county local option~~
13 ~~gross receipts taxes in effect on January 1, 2007 that are~~
14 ~~imposed throughout the county in the following percentages:~~

15 ~~(a) prior to July 1, 2015, one hundred~~
16 ~~percent;~~

17 ~~(b) on or after July 1, 2015 and prior~~
18 ~~to July 1, 2016, ninety-four percent;~~

19 ~~(c) on or after July 1, 2016 and prior~~
20 ~~to July 1, 2017, eighty-eight percent;~~

21 ~~(d) on or after July 1, 2017 and prior~~
22 ~~to July 1, 2018, eighty-two percent;~~

23 ~~(e) on or after July 1, 2018 and prior~~
24 ~~to July 1, 2019, seventy-six percent;~~

25 ~~(f) on or after July 1, 2019 and prior~~

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1 ~~to July 1, 2020, seventy percent;~~

2 ~~(g) on or after July 1, 2020 and prior~~
3 ~~to July 1, 2021, sixty-three percent;~~

4 ~~(h) on or after July 1, 2021 and prior~~
5 ~~to July 1, 2022, fifty-six percent;~~

6 ~~(i) on or after July 1, 2022 and prior~~
7 ~~to July 1, 2023, forty-nine percent;~~

8 ~~(j) on or after July 1, 2023 and prior~~
9 ~~to July 1, 2024, forty-two percent;~~

10 ~~(k) on or after July 1, 2024 and prior~~
11 ~~to July 1, 2025, thirty-five percent;~~

12 ~~(l) on or after July 1, 2025 and prior~~
13 ~~to July 1, 2026, twenty-eight percent;~~

14 ~~(m) on or after July 1, 2026 and prior~~
15 ~~to July 1, 2027, twenty-one percent;~~

16 ~~(n) on or after July 1, 2027 and prior~~
17 ~~to July 1, 2028, fourteen percent; and~~

18 ~~(o) on or after July 1, 2028 and prior~~
19 ~~to July 1, 2029, seven percent;~~

20 ~~(2) the total deductions claimed pursuant to~~
21 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
22 ~~business locations in the county but not within a municipality~~
23 ~~multiplied by the combined rate of all county local option~~
24 ~~gross receipts taxes in effect on January 1, 2007 that are~~
25 ~~imposed in the county area not within a municipality in the~~

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1 following percentages:

2 ~~(a) prior to July 1, 2015, one hundred~~
3 ~~percent;~~

4 ~~(b) on or after July 1, 2015 and prior~~
5 ~~to July 1, 2016, ninety-four percent;~~

6 ~~(c) on or after July 1, 2016 and prior~~
7 ~~to July 1, 2017, eighty-eight percent;~~

8 ~~(d) on or after July 1, 2017 and prior~~
9 ~~to July 1, 2018, eighty-two percent;~~

10 ~~(e) on or after July 1, 2018 and prior~~
11 ~~to July 1, 2019, seventy-six percent;~~

12 ~~(f) on or after July 1, 2019 and prior~~
13 ~~to July 1, 2020, seventy percent;~~

14 ~~(g) on or after July 1, 2020 and prior~~
15 ~~to July 1, 2021, sixty-three percent;~~

16 ~~(h) on or after July 1, 2021 and prior~~
17 ~~to July 1, 2022, fifty-six percent;~~

18 ~~(i) on or after July 1, 2022 and prior~~
19 ~~to July 1, 2023, forty-nine percent;~~

20 ~~(j) on or after July 1, 2023 and prior~~
21 ~~to July 1, 2024, forty-two percent;~~

22 ~~(k) on or after July 1, 2024 and prior~~
23 ~~to July 1, 2025, thirty-five percent;~~

24 ~~(l) on or after July 1, 2025 and prior~~
25 ~~to July 1, 2026, twenty-eight percent;~~

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1 ~~(m) on or after July 1, 2026 and prior~~
2 ~~to July 1, 2027, twenty-one percent;~~

3 ~~(n) on or after July 1, 2027 and prior~~
4 ~~to July 1, 2028, fourteen percent; and~~

5 ~~(o) on or after July 1, 2028 and prior~~
6 ~~to July 1, 2029, seven percent;~~

7 ~~(3) the total deductions claimed pursuant to~~
8 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
9 ~~business locations within a municipality in the county~~
10 ~~multiplied by the combined rate of all county local option~~
11 ~~gross receipts taxes in effect on January 1, 2007 that are~~
12 ~~imposed throughout the county in the following percentages:~~

13 ~~(a) prior to July 1, 2015, one hundred~~
14 ~~percent;~~

15 ~~(b) on or after July 1, 2015 and prior~~
16 ~~to July 1, 2016, ninety-four percent;~~

17 ~~(c) on or after July 1, 2016 and prior~~
18 ~~to July 1, 2017, eighty-eight percent;~~

19 ~~(d) on or after July 1, 2017 and prior~~
20 ~~to July 1, 2018, eighty-two percent;~~

21 ~~(e) on or after July 1, 2018 and prior~~
22 ~~to July 1, 2019, seventy-six percent;~~

23 ~~(f) on or after July 1, 2019 and prior~~
24 ~~to July 1, 2020, seventy percent;~~

25 ~~(g) on or after July 1, 2020 and prior~~

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1 to July 1, 2021, ~~sixty-three percent;~~

2 ~~(h) on or after July 1, 2021 and prior~~
3 ~~to July 1, 2022, fifty-six percent;~~

4 ~~(i) on or after July 1, 2022 and prior~~
5 ~~to July 1, 2023, forty-nine percent;~~

6 ~~(j) on or after July 1, 2023 and prior~~
7 ~~to July 1, 2024, forty-two percent;~~

8 ~~(k) on or after July 1, 2024 and prior~~
9 ~~to July 1, 2025, thirty-five percent;~~

10 ~~(l) on or after July 1, 2025 and prior~~
11 ~~to July 1, 2026, twenty-eight percent;~~

12 ~~(m) on or after July 1, 2026 and prior~~
13 ~~to July 1, 2027, twenty-one percent;~~

14 ~~(n) on or after July 1, 2027 and prior~~
15 ~~to July 1, 2028, fourteen percent; and~~

16 ~~(o) on or after July 1, 2028 and prior~~
17 ~~to July 1, 2029, seven percent; and~~

18 ~~(4) the total deductions claimed pursuant to~~
19 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
20 ~~business locations in the county but not within a municipality~~
21 ~~multiplied by the combined rate of all county local option~~
22 ~~gross receipts taxes in effect on January 1, 2007 that are~~
23 ~~imposed in the county area not within a municipality in]~~
24 applicable maximum distribution multiplied by the following
25 percentages:

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1 ~~[(a) prior to July 1, 2015, one hundred~~
2 ~~percent;~~

3 ~~(b) on or after July 1, 2015 and prior~~
4 ~~to July 1, 2016, ninety-four percent;~~

5 ~~(c) on or after July 1, 2016 and prior~~
6 ~~to July 1, 2017, eighty-eight percent;~~

7 ~~(d) on or after July 1, 2017 and prior~~
8 ~~to July 1, 2018, eighty-two percent;~~

9 ~~(e) on or after July 1, 2018 and prior~~
10 ~~to July 1, 2019, seventy-six percent;~~

11 ~~(f)]~~ (1) on or after July 1, 2019 and prior to
12 July 1, 2020, seventy percent;

13 ~~(g)]~~ (2) on or after July 1, 2020 and prior
14 to July 1, 2021, sixty-three percent; and

15 ~~(h)]~~ (3) on or after July 1, 2021, [~~and prior~~
16 ~~to July 1, 2022, fifty-six percent;~~

17 ~~(i) on or after July 1, 2022 and prior~~
18 ~~to July 1, 2023, forty-nine percent;~~

19 ~~(j) on or after July 1, 2023 and prior~~
20 ~~to July 1, 2024, forty-two percent;~~

21 ~~(k) on or after July 1, 2024 and prior~~
22 ~~to July 1, 2025, thirty-five percent;~~

23 ~~(l) on or after July 1, 2025 and prior~~
24 ~~to July 1, 2026, twenty-eight percent;~~

25 ~~(m) on or after July 1, 2026 and prior~~

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1 to July 1, 2027, ~~twenty-one percent;~~

2 (n) ~~on or after July 1, 2027 and prior~~
3 ~~to July 1, 2028, fourteen percent; and~~

4 (o) ~~on or after July 1, 2028 and prior~~
5 ~~to July 1, 2029, seven] zero percent.~~

6 C. [The] A distribution pursuant to [~~Subsections A~~
7 ~~and B of~~] this section is in lieu of revenue that would have
8 been received by the county but for the deductions provided by
9 Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall
10 be considered gross receipts tax revenue and shall be used by
11 the county in the same manner as gross receipts tax revenue,
12 including payment of gross receipts tax revenue bonds. [A
13 ~~distribution pursuant to this section to a county not described~~
14 ~~in Subsection A of this section or to a county that has imposed~~
15 ~~a gross receipts tax through an ordinance that does not provide~~
16 ~~a deduction contained in the Gross Receipts and Compensating~~
17 ~~Tax Act shall not be made on or after July 1, 2029.]~~

18 D. If the [~~reductions~~] changes made by this [2013]
19 2019 act to the distributions made pursuant to [~~Subsections A~~
20 ~~and B of~~] this section impair the ability of a county to meet
21 its principal or interest payment obligations for revenue bonds
22 that are outstanding prior to July 1, [2013] 2019 and that are
23 secured by the pledge of all or part of the county's revenue
24 from the distribution made pursuant to this section, the county
25 shall substitute the revenue with other legally available

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1 revenue of the county that has not been pledged to any other
2 debt. If the county does not have other legally available
3 revenue available to pay all or part of the county's
4 obligations, then the amount distributed pursuant to this
5 section to that county shall be increased by an amount
6 sufficient to meet the required payment; provided that the
7 total amount distributed to that county pursuant to this
8 section does not exceed the amount that would have been due
9 that county pursuant to this section as it was in effect on
10 June 30, [~~2013~~] 2019.

11 E. A distribution pursuant to this section may be
12 adjusted for a distribution made to a tax increment development
13 district with respect to a portion of a gross receipts tax
14 increment dedicated by a county pursuant to the Tax Increment
15 for Development Act.

16 F. For purposes of this section, "maximum
17 distribution" means:

18 (1) for counties that have a population of
19 less than forty-eight thousand according to the most recent
20 federal decennial census, the sum of:

21 (a) the total deductions claimed
22 pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month
23 by taxpayers from business locations within a municipality in
24 the county multiplied by the combined rate of all county local
25 option gross receipts taxes in effect for the month that are

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1 imposed throughout the county; and

2 (b) the total deductions claimed
3 pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month
4 by taxpayers from business locations in the county but not
5 within a municipality multiplied by the combined rate of all
6 county local option gross receipts taxes in effect for the
7 month that are imposed in the county area not within a
8 municipality; and

9 (2) for counties that have a population of
10 forty-eight thousand or more according to the most recent
11 federal decennial census, the sum of:

12 (a) the total deductions claimed
13 pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month
14 by taxpayers from business locations within a municipality in
15 the county multiplied by the combined rate of all county local
16 option gross receipts taxes in effect on January 1, 2007 that
17 are imposed throughout the county; and

18 (b) the total deductions claimed
19 pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month
20 by taxpayers from business locations in the county but not
21 within a municipality multiplied by the combined rate of all
22 county local option gross receipts taxes in effect on January
23 1, 2007 that are imposed in the county area not within a
24 municipality."

25 SECTION 18. A new section of the Tax Administration Act

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1 is enacted to read:

2 "[NEW MATERIAL] ADDITIONAL DISTRIBUTION OF GASOLINE TAX
3 AND SPECIAL FUEL EXCISE TAX TO MUNICIPALITIES AND COUNTIES.--

4 A. A distribution pursuant to Section 7-1-6.1 NMSA
5 1978 shall be made in an amount equal to nine and twenty-six
6 hundredths percent of the net receipts attributable to the
7 gasoline tax and four and eighty-one hundredths percent of the
8 net receipts attributable to the special fuel excise tax.
9 Except as provided in Subsection C of this section, this
10 distribution shall be paid into a maintenance and repair road
11 fund in the municipal treasury and county road fund for
12 expenditure only for reconstruction, resurfacing or other
13 improvement or maintenance of existing public roads, streets,
14 alleys or bridges, including right-of-way and materials
15 acquisition.

16 B. The amount determined in Subsection A of this
17 section shall be distributed as follows:

18 (1) sixty-six and seven-tenths percent of the
19 amount shall be paid to the treasurers of municipalities and H
20 class counties in the proportion that the taxable motor fuel
21 sales in each of the municipalities and H class counties bears
22 to the aggregate taxable motor fuel sales in all of these
23 municipalities and H class counties; and

24 (2) thirty-three and three-tenths percent of
25 the amount shall be paid to the treasurers of the counties,

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1 including H class counties, in the proportion that the taxable
2 motor fuel sales outside of incorporated municipalities in each
3 of the counties bears to the aggregate taxable motor fuel sales
4 outside of incorporated municipalities in all of the counties.

5 C. The distributions made pursuant to this section
6 may be paid into a separate road fund or the general fund of
7 the municipality or county if the municipality has a population
8 less than three thousand or the county has a population less
9 than four thousand according to the most recent federal
10 decennial census.

11 D. Money from the distribution made pursuant to
12 this section shall not be pledged for the payment of bonds or
13 debentures or expended to pay the principal or interest of
14 outstanding bonds or debentures."

15 SECTION 19. A new section of the Tax Administration Act
16 is enacted to read:

17 "[NEW MATERIAL] DISTRIBUTION OF GASOLINE TAX AND SPECIAL
18 FUEL EXCISE TAX--STATE ROAD MAINTENANCE FUND.--

19 A. The "state road maintenance fund" is created as
20 a nonreverting fund in the state treasury. No income earned on
21 the fund shall be transferred to another fund.

22 B. A distribution pursuant to Section 7-1-6.1 NMSA
23 1978 shall be made to the state road maintenance fund in an
24 amount equal to nine and twenty-six hundredths percent of the
25 net receipts attributable to the gasoline tax and four and

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1 eighty-one hundredths percent of the net receipts attributable
2 to the special fuel excise tax.

3 C. The department of transportation shall
4 administer the fund, and money in the fund is subject to
5 appropriation by the legislature to the department of
6 transportation only for expenditure for reconstruction,
7 resurfacing or other improvement or maintenance of existing
8 public roads, streets, alleys or bridges, including right-of-
9 way and materials acquisition.

10 D. Money in the fund shall not be pledged for the
11 payment of bonds or debentures or expended to pay the principal
12 or interest of outstanding bonds or debentures.

13 E. Money in the fund shall be disbursed on warrants
14 signed by the secretary of finance and administration pursuant
15 to vouchers signed by the secretary of transportation or the
16 secretary's authorized representative."

17 SECTION 20. A new section of the Tax Administration Act
18 is enacted to read:

19 "[NEW MATERIAL] DISTRIBUTION--MUNICIPALITIES AND
20 COUNTIES.--

21 A. Prior to July 1, 2021, a distribution pursuant
22 to Section 7-1-6.1 NMSA 1978 shall be made to municipalities
23 from the net receipts attributable to the gross receipts tax in
24 an amount equal to one million two hundred fifty thousand
25 dollars (\$1,250,000). The amount to be distributed to each

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1 municipality shall be in the proportion of the population of
2 the municipality to the population of the state, according to
3 the most recent federal decennial census.

4 B. Prior to July 1, 2021, a distribution pursuant
5 to Section 7-1-6.1 NMSA 1978 shall be made to counties from the
6 net receipts attributable to the gross receipts tax in an
7 amount equal to seven hundred fifty thousand dollars
8 (\$750,000). The amount to be distributed to each county shall
9 be in the proportion of the population of the county to the
10 population of the state, according to the most recent federal
11 decennial census."

12 SECTION 21. Section 7-1-10 NMSA 1978 (being Laws 1965,
13 Chapter 248, Section 15, as amended) is amended to read:

14 "7-1-10. RECORDS REQUIRED BY STATUTE--TAXPAYER
15 RECORDS--ACCOUNTING METHODS--REPORTING METHODS--INFORMATION
16 RETURNS.--

17 A. Every person required by the provisions of any
18 statute administered by the department to keep records and
19 documents and every taxpayer shall maintain books of account or
20 other records in a manner that will permit the accurate
21 computation of state taxes or provide information required by
22 the statute under which the person is required to keep records.

23 B. Methods of accounting shall be consistent for
24 the same business. A taxpayer engaged in more than one
25 business may use a different method of accounting for each

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1 business.

2 C. Prior to changing the method of accounting in
3 keeping books and records for tax purposes, a taxpayer shall
4 first secure the consent of the secretary or the secretary's
5 delegate. If consent is not secured, the department upon audit
6 may require the taxpayer to compute the amount of tax due on
7 the basis of the accounting method earlier used.

8 D. Prior to changing the method of reporting taxes,
9 other than for changes required by law, a taxpayer shall first
10 secure the consent of the secretary or the secretary's
11 delegate. Consent shall be granted or withheld pursuant to the
12 provisions of Section 7-4-19 NMSA 1978. If consent is not
13 secured, the secretary or the secretary's delegate upon audit
14 may require the taxpayer to compute the amount of tax due on
15 the basis of the reporting method earlier used.

16 E. Upon the written application of a taxpayer and
17 at the sole discretion of the secretary or the secretary's
18 delegate, the secretary or the secretary's delegate may enter
19 into an agreement with a taxpayer allowing the taxpayer to
20 report values, gross receipts, deductions or the value of
21 property on an estimated basis for gross receipts and
22 compensating tax, oil and gas severance tax, oil and gas
23 conservation tax, oil and gas emergency school tax and oil and
24 gas ad valorem production tax purposes for a limited period of
25 time not to exceed four years. As used in this section,

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1 "estimated basis" means a methodology that is reasonably
2 expected to approximate the tax that will be due over the
3 period of the agreement using summary rather than detail data
4 or alternate valuation applications or methods, provided that:

5 (1) nothing in this section shall be construed
6 to require the secretary or the secretary's delegate to enter
7 into such an agreement; and

8 (2) the agreement must:

9 (a) specify the receipts, deductions or
10 values to be reported on an estimated basis and the methodology
11 to be followed by the taxpayer in making the estimates;

12 (b) state the term of the agreement and
13 the procedures for terminating the agreement prior to its
14 expiration;

15 (c) be signed by the taxpayer or the
16 taxpayer's representative and the secretary or the secretary's
17 delegate; and

18 (d) contain a declaration by the
19 taxpayer or the taxpayer's representative that all statements
20 of fact made by the taxpayer or the taxpayer's representative
21 in the taxpayer's application and the agreement are true and
22 correct as to every material matter.

23 F. The secretary may, by regulation, require any
24 person doing business in the state to submit to the department
25 information reports that are considered reasonable and

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1 necessary for the administration of any provision of law to
2 which the Tax Administration Act applies.

3 G. The secretary shall, by rule, require a seller
4 or marketplace provider, as that term is used in the Gross
5 Receipts and Compensating Tax Act, to provide information
6 reports regarding sales, leases or licenses made by the seller
7 or facilitated by the marketplace provider to this state if the
8 seller or marketplace provider is not subject to taxation in
9 this state."

10 SECTION 22. Section 7-1-13.1 NMSA 1978 (being Laws 1988,
11 Chapter 99, Section 3, as amended) is amended to read:

12 "7-1-13.1. METHOD OF PAYMENT OF CERTAIN TAXES DUE.--

13 A. Payment of the taxes, including any applicable
14 penalties and interest, described in Paragraph (1), (2), (3) or
15 (4) of this subsection shall be made on or before the date due
16 in accordance with Subsection B of this section if the
17 taxpayer's average tax payment for the group of taxes during
18 the preceding calendar year equaled or exceeded twenty-five
19 thousand dollars (\$25,000):

20 (1) Group 1: all taxes due under the
21 Withholding Tax Act, the Gross Receipts and Compensating Tax
22 Act, local option gross receipts and compensating tax acts, the
23 Interstate Telecommunications Gross Receipts Tax Act and the
24 Leased Vehicle Gross Receipts Tax Act;

25 (2) Group 2: all taxes due under the Oil and

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1 Gas Severance Tax Act, the Oil and Gas Conservation Tax Act,
2 the Oil and Gas Emergency School Tax Act and the Oil and Gas Ad
3 Valorem Production Tax Act;

4 (3) Group 3: the tax due under the Natural
5 Gas Processors Tax Act; or

6 (4) Group 4: all taxes and fees due under the
7 Gasoline Tax Act, the Special Fuels Supplier Tax Act and the
8 Petroleum Products Loading Fee Act.

9 For taxpayers who have more than one identification number
10 issued by the department, the average tax payment shall be
11 computed by combining the amounts paid under the several
12 identification numbers.

13 B. Taxpayers who are required to make payment in
14 accordance with the provisions of this section shall make
15 payment by one or more of the following means on or before the
16 due date so that funds are immediately available to the state
17 on or before the due date:

18 (1) electronic payment; provided that a result
19 of the payment is that funds are immediately available to the
20 state of New Mexico on or before the due date;

21 (2) currency of the United States;

22 (3) check drawn on and payable at any New
23 Mexico financial institution; provided that the check is
24 received by the department at the place and time required by
25 the department at least one banking day prior to the due date;

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1 or

2 (4) check drawn on and payable at any domestic
3 non-New Mexico financial institution; provided that the check
4 is received by the department at the time and place required by
5 the department at least two banking days prior to the due date.

6 C. If the taxes required to be paid under this
7 section are not paid in accordance with Subsection B of this
8 section, the payment is not timely and is subject to the
9 provisions of Sections 7-1-67 and 7-1-69 NMSA 1978.

10 D. For the purposes of this section, "average tax
11 payment" means the total amount of taxes paid with respect to a
12 group of taxes listed under Subsection A of this section during
13 a calendar year divided by the number of months in that
14 calendar year containing a due date on which the taxpayer was
15 required to pay one or more taxes in the group."

16 SECTION 23. Section 7-1-14 NMSA 1978 (being Laws 1969,
17 Chapter 145, Section 1, as amended) is repealed and a new
18 Section 7-1-14 NMSA 1978 is enacted to read:

19 "7-1-14. [NEW MATERIAL] LOCATION WHERE CERTAIN GROSS
20 RECEIPTS ARE TO BE REPORTED.--

21 A. Gross receipts and deductions required to be
22 reported pursuant to the Gross Receipts and Compensating Tax
23 Act, Interstate Telecommunications Gross Receipts Tax Act,
24 Leased Vehicle Gross Receipts Tax Act, Supplemental Municipal
25 Gross Receipts Tax Act, Municipal Local Option Gross Receipts

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1 and Compensating Tax Act, Local Hospital Gross Receipts Tax
2 Act, County Local Option Gross Receipts and Compensating Tax
3 Act and County Correctional Facility Gross Receipts Tax Act
4 shall be reported as follows:

5 (1) gross receipts and deductions from the
6 sale, lease or licensing of tangible personal property shall be
7 reported to the location of delivery of that tangible personal
8 property to the customer; provided that the reporting location
9 for receipts from leasing a vehicle is the location where the
10 customer first makes use of the vehicle;

11 (2) gross receipts and deductions from the
12 sale of construction services and materials delivered to the
13 site of the construction project shall be reported to the
14 location of the construction project;

15 (3) gross receipts and deductions from the
16 sale, lease or granting of a license to use real property shall
17 be reported to the location of the real property; and

18 (4) the reporting location for gross receipts
19 and deductions from a customer for services provided by a
20 transportation network company pursuant to the Transportation
21 Network Company Services Act shall be the location where the
22 customer enters the vehicle offered for a prearranged ride.

23 B. The secretary may, by rule, provide for the
24 reporting of gross receipts and deductions from transactions
25 consistent with this section and for reporting the tax imposed

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1 by taxing jurisdictions at that location, including the
2 reporting of receipts from locations outside a municipal
3 boundary but within property owned by the municipality."

4 SECTION 24. Section 7-2-7 NMSA 1978 (being Laws 2005,
5 Chapter 104, Section 4) is amended to read:

6 "7-2-7. INDIVIDUAL INCOME TAX RATES.--The tax imposed by
7 Section 7-2-3 NMSA 1978 shall be at the following rates for any
8 taxable year beginning on or after January 1, [2008] 2020:

9 A. For married individuals filing separate returns:

10 If the taxable income is:	The tax shall be:
11 [Not over \$4,000	1.7% of taxable income
12 Over \$4,000 but not over \$8,000	\$68.00 plus 3.2% of
13 excess over \$4,000	excess over \$4,000
14 Over \$8,000 but not over \$12,000	\$196 plus 4.7% of
15 excess over \$8,000	excess over \$8,000
16 Over \$12,000	\$384 plus 4.9% of
17 excess over \$12,000.	excess over \$12,000.

18 ~~B. For heads of household, surviving spouses and~~
19 ~~married individuals filing joint returns:~~

20 If the taxable income is:	The tax shall be:
21 Not over \$8,000	1.7% of taxable income
22 Over \$8,000 but not over \$16,000	\$136 plus 3.2% of
23 excess over \$8,000	excess over \$8,000
24 Over \$16,000 but not over \$24,000	\$392 plus 4.7% of
25 excess over \$16,000	excess over \$16,000

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1	Over \$24,000	\$768 plus 4.9% of
2		excess over \$24,000.
3	C. For single individuals and for estates and	
4	trusts:	
5	If the taxable income is:	The tax shall be:
6	Not over \$5,500	1.7% of taxable income
7	Over \$5,500 but not over \$11,000	\$93.50 plus 3.2% of
8		excess over \$5,500
9	Over \$11,000 but not over \$16,000	\$269.50 plus 4.7% of
10		excess over \$11,000
11	Over \$16,000	\$504.50 plus 4.9% of
12		excess over \$16,000.]
13	<u>Not over \$5,000</u>	<u>1.7% of taxable income</u>
14	<u>Over \$5,000 but not over \$7,500</u>	<u>\$85.00 plus 3.2% of</u>
15		<u>excess over \$5,000</u>
16	<u>Over \$7,500 but not over \$17,500</u>	<u>\$165 plus 4.7% of excess</u>
17		<u>over \$7,500</u>
18	<u>Over \$17,500 but not over \$37,500</u>	<u>\$635 plus 5.2% of excess</u>
19		<u>over \$17,500</u>
20	<u>Over \$37,500 but not over \$75,000</u>	<u>\$1,675 plus 5.5% of</u>
21		<u>excess over \$37,500</u>
22	<u>Over \$75,000 but not over \$150,000</u>	<u>\$3,737.50 plus 5.8% of</u>
23		<u>excess over \$75,000</u>
24	<u>Over \$150,000</u>	<u>\$8,087.50 plus 6.5% of</u>
25		<u>excess over \$150,000.</u>

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1 B. For heads of household, surviving spouses and
2 married individuals filing joint returns:

3 <u>If the taxable income is:</u>	4 <u>The tax shall be:</u>
5 <u>Not over \$10,000</u>	6 <u>1.7% of taxable income</u>
7 <u>Over \$10,000 but not over \$15,000</u>	8 <u>\$170 plus 3.2% of</u> 9 <u>excess over \$10,000</u>
10 <u>Over \$15,000 but not over \$35,000</u>	11 <u>\$330 plus 4.7% of excess</u> 12 <u>over \$15,000</u>
13 <u>Over \$35,000 but not over \$75,000</u>	14 <u>\$1,270 plus 5.2% of</u> 15 <u>excess over \$35,000</u>
16 <u>Over \$75,000 but not over \$150,000</u>	17 <u>\$3,350 plus 5.5% of</u> 18 <u>excess over \$75,000</u>
19 <u>Over \$150,000 but not over \$300,000</u>	20 <u>\$7,475 plus 5.8% of</u> 21 <u>excess over \$150,000</u>
22 <u>Over \$300,000</u>	23 <u>\$16,175 plus 6.5% of</u> 24 <u>excess over \$300,000.</u>

25 C. For single individuals and for estates and
26 trusts:

27 <u>If the taxable income is:</u>	28 <u>The tax shall be:</u>
29 <u>Not over \$6,500</u>	30 <u>1.7% of taxable income</u>
31 <u>Over \$6,500 but not over \$10,000</u>	32 <u>\$110.50 plus 3.2% of</u> 33 <u>excess over \$6,500</u>
34 <u>Over \$10,000 but not over \$23,500</u>	35 <u>\$222.50 plus 4.7% of</u> 36 <u>excess over \$10,000</u>
37 <u>Over \$23,500 but not over \$50,000</u>	38 <u>\$857 plus 5.2% of</u>

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1		<u>excess over \$23,500</u>
2	<u>Over \$50,000 but not over \$100,000</u>	<u>\$2,235 plus 5.5% of</u>
3		<u>excess over \$50,000</u>
4	<u>Over \$100,000 but not over \$200,000</u>	<u>\$4,985 plus 5.8% of</u>
5		<u>excess over \$100,000</u>
6	<u>Over \$200,000</u>	<u>\$10,785 plus 6.5% of</u>
7		<u>excess over \$200,000.</u>

8 D. The tax on the sum of any lump-sum amounts
9 included in net income is an amount equal to five multiplied by
10 the difference between:

11 (1) the amount of tax due on the taxpayer's
12 taxable income; and

13 (2) the amount of tax that would be due on an
14 amount equal to the taxpayer's taxable income and twenty
15 percent of the taxpayer's lump-sum amounts included in net
16 income."

17 SECTION 25. Section 7-2-34 NMSA 1978 (being Laws 1999,
18 Chapter 205, Section 1, as amended) is amended to read:

19 "7-2-34. DEDUCTION--NET CAPITAL GAIN INCOME.--

20 A. Except as provided in Subsection C of this
21 section, a taxpayer may claim a deduction from net income in an
22 amount equal to [~~the greater of:~~

23 ~~(1)]~~ the taxpayer's net capital gain income for
24 the taxable year for which the deduction is being claimed, but
25 not to exceed one thousand dollars (\$1,000) [~~or~~

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1 ~~(2) the following percentage of the taxpayer's~~
2 ~~net capital gain income for the taxable year for which the~~
3 ~~deduction is being claimed:~~

4 ~~(a) for a taxable year beginning in~~
5 ~~2003, ten percent;~~

6 ~~(b) for a taxable year beginning in~~
7 ~~2004, twenty percent;~~

8 ~~(c) for a taxable year beginning in~~
9 ~~2005, thirty percent;~~

10 ~~(d) for a taxable year beginning in~~
11 ~~2006, forty percent; and~~

12 ~~(e) for taxable years beginning on or~~
13 ~~after January 1, 2007, fifty percent].~~

14 B. ~~[A husband and wife]~~ Married individuals who
15 file separate returns for a taxable year in which they could
16 have filed a joint return may each claim only one-half of the
17 deduction provided by this section that would have been allowed
18 on the joint return.

19 C. A taxpayer ~~[may]~~ shall not claim the deduction
20 provided in Subsection A of this section if the taxpayer has
21 claimed the credit provided in Section 7-2D-8.1 NMSA 1978.

22 D. As used in this section, "net capital gain"
23 means "net capital gain" as defined in Section 1222 (11) of the
24 Internal Revenue Code."

25 SECTION 26. Section 7-2A-2 NMSA 1978 (being Laws 1986,

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1 Chapter 20, Section 33, as amended) is amended to read:

2 "7-2A-2. DEFINITIONS.--For the purpose of the Corporate
3 Income and Franchise Tax Act and unless the context requires
4 otherwise:

5 ~~[A. "affiliated group" means that term as it is
6 used in the Internal Revenue Code;~~

7 ~~B.]~~ A. "bank" means any national bank, national
8 banking association, state bank or bank holding company;

9 B. "apportioned net income" or "apportioned net
10 loss" means net income or loss allocated and apportioned to New
11 Mexico pursuant to the provisions of the Corporate Income and
12 Franchise Tax Act or the Uniform Division of Income for Tax
13 Purposes Act, but excluding from the sales factor any sales
14 that represent intercompany transactions between members of the
15 filing group;

16 C. "base income or loss" means ~~[that part of the
17 taxpayer's income defined as taxable income and upon which the
18 federal income tax is calculated in the Internal Revenue Code
19 for income tax purposes plus:~~

20 ~~(1) for taxable years beginning on or after
21 January 1, 1991, the amount of the net operating loss deduction
22 allowed by Section 172(a) of the Internal Revenue Code, as that
23 section may be amended or renumbered, and claimed by the
24 taxpayer for that year;~~

25 ~~(2) interest received on a state or local~~

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1 bond; and

2 ~~(3) the amount of any deduction claimed in~~
3 ~~calculating taxable income for all expenses and costs directly~~
4 ~~or indirectly paid, accrued or incurred to a captive real~~
5 ~~estate investment trust]~~ the federal taxable income or the
6 federal net operating loss of a corporation for the taxable
7 year calculated pursuant to the Internal Revenue Code, after
8 special deductions but without any deduction for net operating
9 losses, as if the corporation filed a federal tax return as a
10 separate entity, modified as follows:

11 (1) adding to that income or loss:

12 (a) interest received on a state or
13 local bond exempt under the Internal Revenue Code;

14 (b) the amount of any deduction claimed
15 in calculating taxable income for all expenses and costs
16 directly or indirectly paid, accrued or incurred to a captive
17 real estate investment trust; and

18 (c) the amount of any deduction, other
19 than for premiums, for amounts paid directly or indirectly to a
20 commonly controlled entity that is exempt from corporate income
21 tax pursuant to Section 7-2A-4 NMSA 1978;

22 (2) subtracting from that income or loss:

23 (a) income from obligations of the
24 United States net of expenses incurred to earn that income; and

25 (b) other amounts that the state is

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1 prohibited from taxing because of the laws or constitution of
2 this state or the United States net of any related expenses;
3 and

4 (3) making other adjustments deemed necessary
5 to properly reflect income of the unitary business, including
6 attribution of income or expense related to unitary assets held
7 by related corporations that are not part of the filing group;

8 D. "captive real estate investment trust" means a
9 corporation, trust or association taxed as a real estate
10 investment trust pursuant to Section 857 of the Internal
11 Revenue Code, the shares or beneficial interests of which are
12 not regularly traded on an established securities market;
13 provided that more than fifty percent of any class of
14 beneficial interests or shares of the real estate investment
15 trust are owned directly, indirectly or constructively by the
16 taxpayer during all or a part of the taxpayer's taxable year;

17 E. "common ownership" means the direct or indirect
18 control or ownership of more than fifty percent of the
19 outstanding voting stock, ownership of which shall be
20 determined pursuant to Section 1563 of the Internal Revenue
21 Code, as that section may be amended or renumbered, of:

22 (1) a parent-subsidiary controlled group as
23 defined in Section 1563 of the Internal Revenue Code, except
24 that fifty percent shall be substituted for eighty percent;

25 (2) a brother-sister controlled group as

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1 defined in Section 1563 of the Internal Revenue Code; or

2 (3) three or more corporations each of which
3 is a member of a group of corporations described in Paragraph
4 (1) or (2) of this subsection, and one of which is:

5 (a) a common parent corporation included
6 in a group of corporations described in Paragraph (1) of this
7 subsection; and

8 (b) included in a group of corporations
9 described in Paragraph (2) of this subsection;

10 F. "consolidated group" means the group of entities
11 properly filing a federal consolidated return under the
12 Internal Revenue Code for the taxable year;

13 ~~[E-]~~ G. "corporation" means corporations, joint
14 stock companies, real estate trusts organized and operated
15 under the Real Estate Trust Act, financial corporations and
16 banks, other business associations and, for corporate income
17 tax purposes, partnerships and limited liability companies
18 taxed as corporations under the Internal Revenue Code;

19 ~~[F-]~~ H. "department" means the taxation and revenue
20 department, the secretary of taxation and revenue or any
21 employee of the department exercising authority lawfully
22 delegated to that employee by the secretary;

23 I. "filing group" means the group of corporations
24 properly included in the return for a taxpayer for a particular
25 taxable year;

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1 [~~G-~~] J. "fiscal year" means any accounting period
2 of twelve months ending on the last day of any month other than
3 December;

4 K. "grandfathered net operating loss carryover"
5 means:

6 (1) the amount of net loss properly reported
7 to New Mexico in taxable years beginning January 1, 2014 and
8 prior to January 1, 2020 as part of a timely filed original
9 return, to the extent such loss can be attributed to one or
10 more corporations that are properly included in the taxpayer's
11 return for the first taxable year beginning on or after January
12 1, 2020;

13 (2) reduced by:

14 (a) adding back deductions that were
15 taken by the corporation or corporations for royalties or
16 interest paid to one or more related corporations, but only to
17 the extent that such adjustment would not create a net loss for
18 such related corporations; and

19 (b) the amount of net operating loss
20 deductions taken prior to January 1, 2020, that would be
21 charged against those losses consistent with the Internal
22 Revenue Code and provisions of the Corporate Income and
23 Franchise Tax Act applicable to the year of the deduction; and

24 (3) apportioned to New Mexico using the
25 apportionment factors that can properly be attributed to the

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1 corporation or corporations for the year of the net loss;

2 [H.] L. "Internal Revenue Code" means the United
3 States Internal Revenue Code of 1986, as amended;

4 [I.] M. "net income or loss" means: [~~base income~~
5 ~~adjusted to exclude:~~

6 ~~(1) income from obligations of the~~
7 ~~United States less expenses incurred to earn that income;~~

8 ~~(2) other amounts that the state is prohibited~~
9 ~~from taxing because of the laws or constitution of this state~~
10 ~~or the United States;~~

11 ~~(3) for taxable years that began prior to~~
12 ~~January 1, 1991, an amount equal to the sum of:~~

13 ~~(a) net operating loss carryback~~
14 ~~deductions to that year from taxable years beginning prior to~~
15 ~~January 1, 1991 claimed and allowed, as provided by the~~
16 ~~Internal Revenue Code; and~~

17 ~~(b) net operating loss carryover~~
18 ~~deductions to that year claimed and allowed;~~

19 ~~(4) for taxable years beginning on or after~~
20 ~~January 1, 1991 and prior to January 1, 2013, an amount equal~~
21 ~~to the sum of any net operating loss carryover deductions to~~
22 ~~that year claimed and allowed; provided that the amount of any~~
23 ~~net operating loss carryover from a taxable year beginning on~~
24 ~~or after January 1, 1991 and prior to January 1, 2013 may be~~
25 ~~excluded only as follows:~~

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1 ~~(a) in the case of a timely filed~~
2 ~~return, in the taxable year immediately following the taxable~~
3 ~~year for which the return is filed; or~~

4 ~~(b) in the case of amended returns or~~
5 ~~original returns not timely filed, in the first taxable year~~
6 ~~beginning after the date on which the return or amended return~~
7 ~~establishing the net operating loss is filed; and~~

8 ~~(c) in either case, if the net operating~~
9 ~~loss carryover exceeds the amount of net income exclusive of~~
10 ~~the net operating loss carryover for the taxable year to which~~
11 ~~the exclusion first applies, in the next four succeeding~~
12 ~~taxable years in turn until the net operating loss carryover is~~
13 ~~exhausted for any net operating loss carryover from a taxable~~
14 ~~year prior to January 1, 2013; in no event may a net operating~~
15 ~~loss carryover from a taxable year beginning prior to January~~
16 ~~1, 2013 be excluded in any taxable year after the fourth~~
17 ~~taxable year beginning after the taxable year to which the~~
18 ~~exclusion first applies; and~~

19 ~~(5) for taxable years beginning on or after~~
20 ~~January 1, 2013, an amount equal to the sum of any net~~
21 ~~operating loss carryover deductions to that year claimed and~~
22 ~~allowed; provided that the amount of any net operating loss~~
23 ~~carryover may be excluded only as follows:~~

24 ~~(a) in the case of a timely filed~~
25 ~~return, in the taxable year immediately following the taxable~~

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1 ~~year for which the return is filed; or~~

2 ~~(b) in the case of amended returns or~~
3 ~~original returns not timely filed, in the first taxable year~~
4 ~~beginning after the date on which the return or amended return~~
5 ~~establishing the net operating loss is filed; and~~

6 ~~(c) in either case, if the net operating~~
7 ~~loss carryover exceeds the amount of net income exclusive of~~
8 ~~the net operating loss carryover for the taxable year to which~~
9 ~~the exclusion first applies, in the next nineteen succeeding~~
10 ~~taxable years in turn until the net operating loss carryover is~~
11 ~~exhausted for any net operating loss carryover from a taxable~~
12 ~~year beginning on or after January 1, 2013; in no event shall a~~
13 ~~net operating loss carryover from a taxable year beginning: 1)~~
14 ~~prior to January 1, 2013 be excluded in any taxable year after~~
15 ~~the fourth taxable year beginning after the taxable year to~~
16 ~~which the exclusion first applies; and 2) on or after January~~
17 ~~1, 2013 be excluded in any taxable year after the nineteenth~~
18 ~~taxable year beginning after the taxable year to which the~~
19 ~~exclusion first applies;~~

20 ~~J. "net operating loss" means any net operating~~
21 ~~loss, as defined by Section 172(c) of the Internal Revenue~~
22 ~~Code, as that section may be amended or renumbered, for a~~
23 ~~taxable year as further increased by the income, if any, from~~
24 ~~obligations of the United States for that year less related~~
25 ~~expenses;]~~

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1 (1) the base income or loss of a corporation
2 properly filing a tax return as a separate entity; or

3 (2) the combined base income and losses of
4 corporations that are part of a filing group that is computed
5 after eliminating intercompany income and expense in a manner
6 consistent with the consolidated filing requirements of the
7 Internal Revenue Code and the Corporate Income and Franchise
8 Tax Act;

9 ~~[K-]~~ N. "net operating loss carryover" means [the
10 ~~amount, or any portion of the amount, of a net operating loss~~
11 ~~for any taxable year that, pursuant to Paragraph (3), (4) or~~
12 ~~(5) of Subsection I of this section, may be excluded from base~~
13 ~~income]~~ the apportioned net loss properly reported on an
14 original or amended tax return for taxable years beginning on
15 or after January 1, 2020 by the taxpayer:

16 (1) plus:

17 (a) the portion of an apportioned net
18 loss properly reported to New Mexico for a taxable year
19 beginning on or after January 1, 2020, on a separate year
20 return, to the extent the taxpayer would have been entitled to
21 include the portion of such apportioned net loss in the
22 taxpayer's consolidated net operating loss carryforward under
23 the Internal Revenue Code if the taxpayer filed a consolidated
24 federal return; and

25 (b) the taxpayer's grandfathered net

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1 operating loss carryover; and

2 (2) minus:

3 (a) the amount of the net operating loss
4 carryover attributed to an entity that has left the filing
5 group, computed in a manner consistent with the consolidated
6 filing requirements of the Internal Revenue Code and applicable
7 regulations, as if the taxpayer were filing a consolidated
8 return; and

9 (b) the amount of net operating loss
10 deductions properly taken by the taxpayer;

11 O. "net operating loss deduction" means the portion
12 of the net operating loss carryover that may be deducted from
13 the taxpayer's apportioned net income or loss under the
14 Internal Revenue Code for the taxable year in which the
15 deduction is taken, including the eighty percent limitation of
16 Section 172(a) of the Internal Revenue Code calculated on the
17 basis of the taxpayer's apportioned net income or loss;

18 ~~[E-]~~ P. "person" means any individual, estate,
19 trust, receiver, cooperative association, club, corporation,
20 company, firm, partnership, limited liability company, joint
21 venture, syndicate or other association; "person" also means,
22 to the extent permitted by law, any federal, state or other
23 governmental unit or subdivision or agency, department or
24 instrumentality thereof;

25 ~~[M-]~~ Q. "real estate investment trust" has the

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1 meaning ascribed to the term in Section 856 of the Internal
2 Revenue Code, as that section may be amended or renumbered;

3 R. "related corporation" means a corporation that
4 is under common ownership with one or more corporations but
5 that is not included in the same tax return;

6 S. "return" means any tax or information return,
7 including a water's-edge or worldwide combined return, a
8 consolidated return, a declaration of estimated tax or a claim
9 for refund, including any amendments or supplements to the
10 return, required or permitted pursuant to a law subject to
11 administration and enforcement pursuant to the Tax
12 Administration Act and filed with the department by or on
13 behalf of any person;

14 [~~N-~~] T. "secretary" means the secretary of taxation
15 and revenue or the secretary's delegate;

16 U. "separate year return" means a properly filed
17 original or amended return for a taxable year beginning on or
18 after January 1, 2020 by a taxpayer reporting a loss, a portion
19 of which is claimed as part of the net operating loss carryover
20 by another taxpayer in a subsequent return period;

21 [~~Θ-~~] V. "state" means any state of the United
22 States, the District of Columbia, the commonwealth of Puerto
23 Rico, any territory or possession of the United States or
24 political subdivision thereof or any political subdivision of a
25 foreign country;

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1 [P-] W. "state or local bond" means a bond issued
2 by a state other than New Mexico or by a local government other
3 than one of New Mexico's political subdivisions, the interest
4 from which is excluded from income for federal income tax
5 purposes under Section 103 of the Internal Revenue Code, as
6 that section may be amended or renumbered;

7 X. "taxable income" means a taxpayer's apportioned
8 net income minus the net operating loss deduction for the
9 taxable year;

10 [Q-] Y. "taxable year" means the calendar year or
11 fiscal year upon the basis of which the net income or loss is
12 computed under the Corporate Income and Franchise Tax Act and
13 includes, in the case of the return made for a fractional part
14 of a year under the provisions of that act, the period for
15 which the return is made;

16 [R-] Z. "taxpayer" means any corporation subject to
17 the taxes imposed by the Corporate Income and Franchise Tax
18 Act; [and

19 [S-] AA. "unitary [~~corporations~~] group" means [~~two~~
20 ~~or more integrated corporations, other than any foreign~~
21 ~~corporation incorporated in a foreign country and not engaged~~
22 ~~in trade or business in the United States during the taxable~~
23 ~~year, that are owned in the amount of more than fifty percent~~
24 ~~and controlled by the same person and for which at least one of~~
25 ~~the following conditions exists:~~

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1 ~~(1) there is a unity of operations evidenced~~
2 ~~by central purchasing, advertising, accounting or other~~
3 ~~centralized services;~~

4 ~~(2) there is a centralized management or~~
5 ~~executive force and centralized system of operation; or~~

6 ~~(3) the operations of the corporations are~~
7 ~~dependent upon or contribute property or services to one~~
8 ~~another individually or as a group] a group of two or more~~
9 ~~corporations, including a captive real estate investment trust,~~
10 ~~but not including an S corporation, an insurance company~~
11 ~~subject to the provisions of the New Mexico Insurance Code, an~~
12 ~~insurance company that would be subject to the New Mexico~~
13 ~~Insurance Code if the insurance company engaged in business in~~
14 ~~this state or a real estate investment trust that is not a~~
15 ~~captive real estate investment trust, that are related through~~
16 ~~common ownership;~~

17 BB. "water's-edge group" means all corporations
18 that are part of a unitary group, except:

19 (1) corporations that are exempt from
20 corporate income tax pursuant to Section 7-2A-4 NMSA 1978; and

21 (2) corporations wherever organized or
22 incorporated that have less than twenty percent of their
23 property, payroll and sales sourced to locations within the
24 United States, following the sourcing rules of the Uniform
25 Division of Income for Tax Purposes Act; and

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1 CC. "worldwide combined group" means all members of
2 a unitary group, except members that are exempt from corporate
3 income tax pursuant to Section 7-2A-4 NMSA 1978, irrespective
4 of the country in which the corporations are incorporated or
5 conduct business activity."

6 SECTION 27. Section 7-2A-3 NMSA 1978 (being Laws 1981,
7 Chapter 37, Section 36, as amended) is amended to read:

8 "7-2A-3. IMPOSITION AND LEVY OF TAXES.--

9 A. A tax to be known as the "corporate income tax"
10 is imposed at the rate specified in the Corporate Income and
11 Franchise Tax Act upon the ~~[net]~~ taxable income of ~~[every~~
12 ~~domestic corporation and upon the net income of every foreign~~
13 ~~corporation employed or]~~ a corporation or group of
14 corporations, in whatever jurisdiction organized or
15 incorporated, that is engaged in the transaction of business
16 in, into or from this state or deriving any income from any
17 property or employment within this state.

18 B. A tax to be known as the "corporate franchise
19 tax" is imposed in the amount specified in the Corporate Income
20 and Franchise Tax Act upon every domestic corporation and upon
21 every foreign corporation employed or engaged in the
22 transaction of business in, into or from this state or deriving
23 any income from any property or employment within this state
24 and upon every domestic or foreign corporation, whether engaged
25 in active business or not, but having or exercising its

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1 corporate franchise in this state."

2 SECTION 28. Section 7-2A-8.3 NMSA 1978 (being Laws 1983,
3 Chapter 213, Section 12, as amended) is amended to read:

4 "7-2A-8.3. COMBINED AND CONSOLIDATED RETURNS.--

5 ~~[A. A unitary corporation that is subject to~~
6 ~~taxation under the Corporate Income and Franchise Tax Act and~~
7 ~~that has not previously filed a combined return pursuant to~~
8 ~~this section or a consolidated return pursuant to Section~~
9 ~~7-2A-8.4 NMSA 1978 may elect to file a combined return with~~
10 ~~other unitary corporations as though the entire combined net~~
11 ~~income were that of one corporation; provided, however, that~~
12 ~~for taxable years beginning on or after January 1, 2014, a~~
13 ~~unitary corporation that provides retail sales of goods in a~~
14 ~~facility of more than thirty thousand square feet under one~~
15 ~~roof in New Mexico shall file a combined return with other~~
16 ~~unitary corporations as though the entire combined net income~~
17 ~~were that of one corporation. The return filed under this~~
18 ~~method of reporting shall include the net income of all the~~
19 ~~unitary corporations. Transactions among the unitary~~
20 ~~corporations may be eliminated by applying the appropriate~~
21 ~~rules for reporting income for a consolidated federal income~~
22 ~~tax return. Any corporation that has filed an income tax~~
23 ~~return with New Mexico pursuant to Section 7-2A-8.4 NMSA 1978~~
24 ~~shall not file pursuant to this section unless the secretary~~
25 ~~gives prior permission to file on a combined return basis.~~

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1 ~~B. Once corporations have reported net income~~
2 ~~through a combined return for any taxable year, they shall file~~
3 ~~combined returns for subsequent taxable years, so long as they~~
4 ~~remain unitary corporations, unless the corporations elect to~~
5 ~~file pursuant to Section 7-2A-8.4 NMSA 1978 or unless the~~
6 ~~secretary grants prior permission for one or more of the~~
7 ~~corporations to file individually.~~

8 ~~C. For taxable years beginning on or after January~~
9 ~~1, 1993, no unitary corporation once included in a combined~~
10 ~~return may elect, or be granted permission by the secretary,~~
11 ~~for any subsequent taxable year to separately account pursuant~~
12 ~~to Paragraph (4) of Subsection A of Section 7-2A-8 NMSA 1978.~~

13 ~~D. Notwithstanding Subsection A of this section, a~~
14 ~~unitary corporation shall not be required to file a combined~~
15 ~~return pursuant to this section if that unitary corporation:~~

16 ~~(1) has operations in New Mexico at facilities~~
17 ~~that do not provide retail sales of goods; and~~

18 ~~(2) employs at least seven hundred fifty~~
19 ~~employees in New Mexico at such facilities.] Corporations that~~
20 ~~are part of a unitary group shall file a return properly~~
21 ~~reporting and paying tax on taxable income as a worldwide~~
22 ~~combined group unless they properly elect to report and pay tax~~
23 ~~on taxable income as a water's-edge or consolidated group,~~
24 ~~pursuant to department rules and instructions, on the first~~
25 ~~original return required to be filed on or after January 1,~~

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1 2020. Corporations electing to file a consolidated return must
2 file on that same basis for federal income tax purposes. Once
3 a unitary or consolidated group has properly made an election
4 to file as a water's-edge or consolidated group, neither the
5 group nor any of the group's members may file a return on any
6 other basis without permission of the secretary. Corporations
7 that are part of a unitary group filing a group return are
8 jointly and severally liable for the tax imposed pursuant to
9 the Corporate Income and Franchise Tax Act on taxable income."

10 SECTION 29. Section 7-4-18 NMSA 1978 (being Laws 1965,
11 Chapter 203, Section 18) is amended to read:

12 "7-4-18. DETERMINATION OF SALES IN THIS STATE OF
13 SERVICES AND OTHER [THAN TANGIBLE PERSONAL] PROPERTY FOR
14 INCLUSION IN SALES FACTOR.--

15 A. Sales, other than sales [~~of tangible personal~~
16 ~~property~~] described in Section 7-4-17 NMSA 1978, are in this
17 state [if

18 ~~A. the income-producing activity is performed in~~
19 ~~this state; or~~

20 ~~B. the income-producing activity is performed both~~
21 ~~in and outside this state and a greater proportion of the~~
22 ~~income-producing activity is performed in this state than in~~
23 ~~any other state based on costs of performance]:~~

24 (1) in the case of sale, rental, lease or
25 license of real property, if and to the extent the real

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1 property is located in this state;

2 (2) in the case of rental, lease or license of
3 tangible personal property, if and to the extent the tangible
4 personal property is located in this state;

5 (3) in the case of sale of a service, if and
6 to the extent the service is delivered to a location in this
7 state; and

8 (4) in the case of sale, rental, lease or
9 license of intangible property, if and to the extent the
10 intangible property is used in this state.

11 B. If the state or states of assignment under
12 Subsection A of this section cannot be determined, the state or
13 states of assignment shall be reasonably approximated.

14 C. If the taxpayer is not taxable in a state to
15 which a sale is assigned pursuant to Subsection A of this
16 section or if the state of assignment cannot be determined or
17 reasonably approximated pursuant to Subsection B of this
18 section, that sale shall be excluded from the numerator and
19 denominator of the sales factor.

20 D. The department may promulgate rules as necessary
21 or appropriate to carry out the purposes of this section."

22 **SECTION 30.** Section 7-9-3 NMSA 1978 (being Laws 1978,
23 Chapter 46, Section 1, as amended) is amended to read:

24 "7-9-3. DEFINITIONS.--As used in the Gross Receipts and
25 Compensating Tax Act:

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1 A. "buying" or "selling" means a transfer of
2 property for consideration or the performance of service for
3 consideration;

4 B. "department" means the taxation and revenue
5 department, the secretary of taxation and revenue or an
6 employee of the department exercising authority lawfully
7 delegated to that employee by the secretary;

8 C. "financial corporation" means a savings and loan
9 association or an incorporated savings and loan company, trust
10 company, mortgage banking company, consumer finance company or
11 other financial corporation;

12 D. "initial use" or "initially used" means the
13 first employment for the intended purpose and does not include
14 the following activities:

15 (1) observation of tests conducted by the
16 performer of services;

17 (2) participation in progress reviews,
18 briefings, consultations and conferences conducted by the
19 performer of services;

20 (3) review of preliminary drafts, drawings and
21 other materials prepared by the performer of the services;

22 (4) inspection of preliminary prototypes
23 developed by the performer of services; or

24 (5) similar activities;

25 E. "leasing" means an arrangement whereby, for a

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1 consideration, property is employed for or by any person other
2 than the owner of the property, except that the granting of a
3 license to use property is licensing and is not a lease;

4 F. "local option gross receipts tax" means a tax
5 authorized to be imposed by a county or municipality upon [the]
6 a taxpayer's gross receipts and required to be collected by the
7 department at the same time and in the same manner as the gross
8 receipts tax; [~~"local option gross receipts tax" includes the~~
9 ~~taxes imposed pursuant to the Municipal Local Option Gross~~
10 ~~Receipts Taxes Act, Supplemental Municipal Gross Receipts Tax~~
11 ~~Act, County Local Option Gross Receipts Taxes Act, Local~~
12 ~~Hospital Gross Receipts Tax Act, County Correctional Facility~~
13 ~~Gross Receipts Tax Act and such other acts as may be enacted~~
14 ~~authorizing counties or municipalities to impose taxes on gross~~
15 ~~receipts, which taxes are to be collected by the department;]~~

16 G. "manufactured home" means a movable or portable
17 housing structure for human occupancy that exceeds either a
18 width of eight feet or a length of forty feet constructed to be
19 towed on its own chassis and designed to be installed with or
20 without a permanent foundation;

21 H. "manufacturing" means combining or processing
22 components or materials to increase their value for sale in the
23 ordinary course of business, but does not include construction;

24 I. "marketplace provider" means a person who
25 facilitates the sale, lease or license of tangible personal

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1 property, services, digital goods or real property on a
2 seller's behalf, or on the marketplace provider's own behalf,
3 by:

4 (1) listing or advertising the sale, lease or
5 license, by any means, whether physical or electronic,
6 including by catalog, internet website or television or radio
7 broadcast; and

8 (2) either directly or indirectly, through
9 agreements or arrangements with third parties collecting
10 payment from the customer and transmitting that payment to the
11 seller, regardless of whether the marketplace provider receives
12 compensation or other consideration in exchange for the
13 marketplace provider's services;

14 ~~[F.]~~ J. "person" means:

15 (1) an individual, estate, trust, receiver,
16 cooperative association, club, corporation, company, firm,
17 partnership, limited liability company, limited liability
18 partnership, joint venture, syndicate or other entity,
19 including any gas, water or electric utility owned or operated
20 by a county, municipality or other political subdivision of the
21 state; or

22 (2) a national, federal, state, Indian or
23 other governmental unit or subdivision, or an agency,
24 department or instrumentality of any of the foregoing;

25 ~~[J.]~~ K. "property" means real property, tangible

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1 personal property, licenses other than the licenses of
2 copyrights, trademarks or patents and franchises. Tangible
3 personal property includes electricity and manufactured homes;

4 ~~[K-]~~ L. "research and development services" means
5 an activity engaged in for other persons for consideration, for
6 one or more of the following purposes:

7 (1) advancing basic knowledge in a recognized
8 field of natural science;

9 (2) advancing technology in a field of
10 technical endeavor;

11 (3) developing a new or improved product,
12 process or system with new or improved function, performance,
13 reliability or quality, whether or not the new or improved
14 product, process or system is offered for sale, lease or other
15 transfer;

16 (4) developing new uses or applications for an
17 existing product, process or system, whether or not the new use
18 or application is offered as the rationale for purchase, lease
19 or other transfer of the product, process or system;

20 (5) developing analytical or survey activities
21 incorporating technology review, application, trade-off study,
22 modeling, simulation, conceptual design or similar activities,
23 whether or not offered for sale, lease or other transfer; or

24 (6) designing and developing prototypes or
25 integrating systems incorporating the advances, developments or

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1 improvements included in Paragraphs (1) through (5) of this
2 subsection;

3 ~~[E.]~~ M. "secretary" means the secretary of taxation
4 and revenue or the secretary's delegate;

5 ~~[M.]~~ N. "service" means all activities engaged in
6 for other persons for a consideration, which activities involve
7 predominantly the performance of a service as distinguished
8 from selling or leasing property. "Service" includes
9 activities performed by a person for its members or
10 shareholders. In determining what is a service, the intended
11 use, principal objective or ultimate objective of the
12 contracting parties shall not be controlling. "Service"
13 includes construction activities and all tangible personal
14 property that will become an ingredient or component part of a
15 construction project. That tangible personal property retains
16 its character as tangible personal property until it is
17 installed as an ingredient or component part of a construction
18 project in New Mexico. Sales of tangible personal property
19 that will become an ingredient or component part of a
20 construction project to persons engaged in the construction
21 business are sales of tangible personal property; and

22 ~~[N.]~~ O. "use" or "using" includes use, consumption
23 or storage other than storage for subsequent sale in the
24 ordinary course of business or for use solely outside this
25 state."

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1 SECTION 31. Section 7-9-3.3 NMSA 1978 (being Laws 2003,
2 Chapter 272, Section 4) is amended to read:

3 "7-9-3.3. DEFINITION--ENGAGING IN BUSINESS.--As used in
4 the Gross Receipts and Compensating Tax Act, "engaging in
5 business" means carrying on or causing to be carried on any
6 activity with the purpose of direct or indirect benefit.

7 ~~[except that:~~

8 ~~A.] "Engaging in business" [does not include:~~
9 ~~having a worldwide web site as a third-party content provider~~
10 ~~on a computer physically located in New Mexico but owned by~~
11 ~~another nonaffiliated person; and~~

12 ~~B. "engaging in business" does not include using a~~
13 ~~nonaffiliated third-party call center to accept and process~~
14 ~~telephone or electronic orders of tangible personal property or~~
15 ~~licenses primarily from non-New Mexico buyers, which orders are~~
16 ~~forwarded to a location outside New Mexico for filling, or to~~
17 ~~provide services primarily to non-New Mexico customers]~~
18 includes receiving receipts from sales, leases or licenses:

19 A. facilitated by a marketplace provider and that
20 are sourced to this state; provided that, in the previous
21 calendar year, the marketplace provider facilitated at least
22 one hundred thousand dollars (\$100,000) in gross receipts from
23 those sales, leases or licenses; and

24 B. made by a seller that lacks physical presence
25 and that are sourced to this state; provided that, in the

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1 previous calendar year, the seller had at least one hundred
2 thousand dollars (\$100,000) in gross receipts from those sales,
3 leases or licenses."

4 SECTION 32. Section 7-9-3.5 NMSA 1978 (being Laws 2003,
5 Chapter 272, Section 3, as amended) is amended to read:

6 "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

7 A. As used in the Gross Receipts and Compensating
8 Tax Act:

9 (1) "gross receipts" means the total amount of
10 money or the value of other consideration received from selling
11 property in New Mexico, from leasing or licensing property
12 employed in New Mexico, from granting a right to use a
13 franchise employed in New Mexico, from selling services
14 performed outside New Mexico, the product of which is initially
15 used in New Mexico, or from performing services in New Mexico.
16 In an exchange in which the money or other consideration
17 received does not represent the value of the property or
18 service exchanged, "gross receipts" means the reasonable value
19 of the property or service exchanged;

20 (2) "gross receipts" includes:

21 (a) any receipts from sales of tangible
22 personal property handled on consignment;

23 (b) the total commissions or fees
24 derived from the business of buying, selling or promoting the
25 purchase, sale or lease, as an agent or broker on a commission

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1 or fee basis, of any property, service, stock, bond or
2 security;

3 (c) amounts paid by members of any
4 cooperative association or similar organization for sales or
5 leases of personal property or performance of services by such
6 organization;

7 (d) amounts received from transmitting
8 messages or conversations by persons providing telephone or
9 telegraph services;

10 (e) amounts received by a New Mexico
11 florist from the sale of flowers, plants or other products that
12 are customarily sold by florists where the sale is made
13 pursuant to orders placed with the New Mexico florist that are
14 filled and delivered outside New Mexico by an out-of-state
15 florist; ~~and~~

16 (f) the receipts of a home service
17 provider from providing mobile telecommunications services to
18 customers whose place of primary use is in New Mexico if: 1)
19 the mobile telecommunications services originate and terminate
20 in the same state, regardless of where the services originate,
21 terminate or pass through; and 2) the charges for mobile
22 telecommunications services are billed by or for a customer's
23 home service provider and are deemed provided by the home
24 service provider. For the purposes of this section, "home
25 service provider", "mobile telecommunications services",

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1 "customer" and "place of primary use" have the meanings given
2 in the federal Mobile Telecommunications Sourcing Act; and

3 (g) receipts collected by a marketplace
4 provider deemed to be engaging in business in the state from
5 sales, leases or licenses facilitated by the marketplace
6 provider and sourced to this state; and

7 (3) "gross receipts" excludes:

8 (a) cash discounts allowed and taken;

9 (b) New Mexico gross receipts tax,
10 governmental gross receipts tax and leased vehicle gross
11 receipts tax payable on transactions for the reporting period;

12 (c) taxes imposed pursuant to the
13 provisions of any local option gross receipts tax that is
14 payable on transactions for the reporting period;

15 (d) any gross receipts or sales taxes
16 imposed by an Indian nation, tribe or pueblo; provided that the
17 tax is approved, if approval is required by federal law or
18 regulation, by the secretary of the interior of the United
19 States; and provided further that the gross receipts or sales
20 tax imposed by the Indian nation, tribe or pueblo provides a
21 reciprocal exclusion for gross receipts, sales or gross
22 receipts-based excise taxes imposed by the state or its
23 political subdivisions;

24 (e) any type of time-price differential;

25 (f) amounts received solely on behalf of

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1 another in a disclosed agency capacity; and

2 (g) amounts received by a New Mexico
3 florist from the sale of flowers, plants or other products that
4 are customarily sold by florists where the sale is made
5 pursuant to orders placed with an out-of-state florist for
6 filling and delivery in New Mexico by a New Mexico florist.

7 B. When the sale of property or service is made
8 under any type of charge, conditional or time-sales contract or
9 the leasing of property is made under a leasing contract, the
10 seller or lessor may elect to treat all receipts, excluding any
11 type of time-price differential, under such contracts as gross
12 receipts as and when the payments are actually received. If
13 the seller or lessor transfers the seller's or lessor's
14 interest in any such contract to a third person, the seller or
15 lessor shall pay the gross receipts tax upon the full sale or
16 leasing contract amount, excluding any type of time-price
17 differential."

18 SECTION 33. Section 7-9-4 NMSA 1978 (being Laws 1966,
19 Chapter 47, Section 4, as amended) is amended to read:

20 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
21 "GROSS RECEIPTS TAX".--

22 A. For the privilege of engaging in business, an
23 excise tax equal to [~~five and one-eighth~~] four and six hundred
24 twenty-five thousandths percent of gross receipts is imposed on
25 any person engaging in business in New Mexico.

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1 B. The tax imposed by this section shall be
2 referred to as the "gross receipts tax".

3 **SECTION 34.** Section 7-9-4.3 NMSA 1978 (being Laws 1991,
4 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,
5 Section 1 and by Laws 1993, Chapter 352, Section 1) is amended
6 to read:

7 "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
8 "GOVERNMENTAL GROSS RECEIPTS TAX".--For the privilege of
9 engaging in certain activities by governments, there is imposed
10 on every agency, institution, instrumentality or political
11 subdivision of the state, except any school district and [~~any~~]
12 an entity licensed by the department of health, other than a
13 hospital, that is principally engaged in providing health care
14 services, an excise tax of five percent of governmental gross
15 receipts. The tax imposed by this section shall be referred to
16 as the "governmental gross receipts tax".

17 **SECTION 35.** Section 7-9-5 NMSA 1978 (being Laws 1966,
18 Chapter 47, Section 5, as amended) is amended to read:

19 "7-9-5. PRESUMPTION OF TAXABILITY.--

20 A. To prevent evasion of the gross receipts tax and
21 to aid in its administration, it is presumed that all receipts
22 of a person engaging in business are subject to the gross
23 receipts tax. [~~Any~~] A person engaged solely in transactions
24 specifically exempt under the provisions of the Gross Receipts
25 and Compensating Tax Act shall not be required to register or

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1 file a return under that act.

2 B. If receipts from nontaxable charges for mobile
3 telecommunications services are aggregated with and not
4 separately stated from taxable charges for mobile
5 telecommunications services, ~~then~~ the charges for nontaxable
6 mobile telecommunications services shall be subject to gross
7 receipts tax unless the home service provider can reasonably
8 identify nontaxable charges in its books and records that are
9 kept in the regular course of business. For the purposes of
10 this subsection, "charges for mobile telecommunications
11 services", "home service provider" and "mobile
12 telecommunications services" have the meanings given in the
13 federal Mobile Telecommunications Sourcing Act.

14 C. A seller obligated to remit the taxes imposed
15 pursuant to the Gross Receipts and Compensating Tax Act is not
16 required to remit such taxes on receipts collected by a
17 marketplace provider on the seller's behalf if the seller has
18 obtained documentation from the marketplace provider indicating
19 that the marketplace provider is registered with the department
20 and will remit the taxes due on those receipts. The
21 documentation shall be provided in a form and manner prescribed
22 by the department. Marketplace providers deemed to be engaging
23 in business in this state are relieved of gross receipts tax
24 liability for having charged and collected the incorrect amount
25 of tax resulting from a marketplace provider reasonably relying

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1 on erroneous information provided by the seller."

2 SECTION 36. Section 7-9-7 NMSA 1978 (being Laws 1966,
3 Chapter 47, Section 7, as amended) is amended to read:

4 "7-9-7. IMPOSITION AND RATE OF TAX--DENOMINATION AS
5 "COMPENSATING TAX".--

6 A. For the privilege of using tangible property in
7 New Mexico, there is imposed on the person using the property
8 an excise tax [~~equal to five and one-eighth percent~~] at the
9 rate in effect and imposed pursuant to Section 7-9-4 NMSA 1978
10 of the value of tangible property that was:

11 (1) manufactured by the person using the
12 property in the state; or

13 (2) acquired inside or outside of this state
14 as the result of a transaction with a person located outside
15 this state that would have been subject to the gross receipts
16 tax had the tangible personal property been acquired from a
17 person with nexus with New Mexico [~~or~~

18 ~~(3) acquired as the result of a transaction~~
19 ~~that was not initially subject to the compensating tax imposed~~
20 ~~by Paragraph (2) of this subsection or the gross receipts tax~~
21 ~~but which transaction, because of the buyer's subsequent use of~~
22 ~~the property, should have been subject to the compensating tax~~
23 ~~imposed by Paragraph (2) of this subsection or the gross~~
24 ~~receipts tax].~~

25 B. For the purpose of Subsection A of this section,

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1 value of tangible property shall be the adjusted basis of the
2 property for federal income tax purposes determined as of the
3 time of acquisition or introduction into this state or of
4 conversion to use, whichever is later. If no adjusted basis
5 for federal income tax purposes is established for the
6 property, a reasonable value of the property shall be used.

7 C. For the privilege of using a license or
8 franchise in New Mexico, there is imposed on the person using
9 the license or franchise an excise tax at the rate in effect
10 and imposed pursuant to Section 7-9-4 NMSA 1978 against the
11 value of the license or franchise in its use in this state.
12 For use of a license or franchise to be taxable under this
13 subsection, the value of the license or franchise shall be
14 acquired inside or outside this state as the result of a
15 transaction with a person located outside this state that would
16 have been subject to the gross receipts tax had the license or
17 franchise been acquired from a person with nexus with this
18 state.

19 [~~G.~~] D. For the privilege of using services
20 [~~rendered~~] in New Mexico, there is imposed on the person using
21 [~~such~~] the services an excise tax [equal to five percent] at
22 the rate in effect and imposed pursuant to Section 7-9-4 NMSA
23 1978 of the value of the services at the time [they were
24 rendered] the product of the service was acquired. For use of
25 services to be taxable under this subsection, [~~must~~] the

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1 services shall have been [~~rendered as the result of a~~
2 ~~transaction that was not initially subject to the gross~~
3 ~~receipts tax but which transaction, because of the buyer's~~
4 ~~subsequent use of the services, should have been subject to the~~
5 ~~gross receipts tax] performed by a person outside this state
6 and the product of the service was acquired inside or outside
7 this state as the result of a transaction with a person located
8 outside this state that would have been subject to the gross
9 receipts tax had the service or product of the service been
10 acquired from a person with nexus with this state.~~

11 ~~[D.]~~ E. The tax imposed by this section shall be
12 referred to as the "compensating tax"."

13 SECTION 37. Section 7-9-7.1 NMSA 1978 (being Laws 1993,
14 Chapter 45, Section 1, as amended) is amended to read:

15 "7-9-7.1. DEPARTMENT BARRED FROM TAKING COLLECTION
16 ACTIONS WITH RESPECT TO CERTAIN COMPENSATING AND GROSS RECEIPTS
17 TAX LIABILITIES.--

18 A. The department shall take no action to enforce
19 collection of compensating tax due on purchases made by an
20 individual if:

21 (1) the property is used only for nonbusiness
22 purposes;

23 (2) the property is not a manufactured home;

24 and

25 (3) the individual is not an agent for

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1 collection of compensating tax pursuant to Section 7-9-10 NMSA
2 1978.

3 B. The department shall take no action to enforce
4 collection of gross receipts tax for a tax period prior to July
5 1, 2019 on persons engaging in business if, for those tax
6 periods, those persons:

- 7 (1) lacked physical presence in the state; and
- 8 (2) did not report taxable gross receipts
9 prior to July 1, 2019.

10 ~~[B.]~~ C. The prohibition in Subsection A of this
11 section does not prevent the department from enforcing
12 collection of compensating tax on purchases from persons who
13 are not individuals, who are agents for collection pursuant to
14 Section 7-9-10 NMSA 1978 or who use the property in the course
15 of engaging in business in New Mexico or from enforcing
16 collection of compensating tax due on purchase of manufactured
17 homes."

18 **SECTION 38.** Section 7-9-29 NMSA 1978 (being Laws 1970,
19 Chapter 12, Section 3, as amended) is amended to read:

20 "7-9-29. EXEMPTION--GROSS RECEIPTS TAX--CERTAIN
21 ORGANIZATIONS.--

22 A. Exempted from the gross receipts tax are the
23 receipts of organizations that demonstrate to the department
24 that they have been granted exemption from the federal income
25 tax by the United States commissioner of internal revenue as
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1 organizations described in Section 501(c)(3) of the United
2 States Internal Revenue Code of [~~1954~~] 1986, as that section
3 may be amended or renumbered, except as provided in Subsection
4 B of this section.

5 B. Exempted from any local option gross receipts
6 tax, but not the state gross receipts tax, are receipts of an
7 organization that is a hospital licensed by the department of
8 health that demonstrates to the department that it has been
9 granted exemption from the federal income tax by the United
10 States commissioner of internal revenue as an organization
11 described in Section 501(c)(3) of the United States Internal
12 Revenue Code of 1986, as that section may be amended or
13 renumbered.

14 [~~B.~~] C. Exempted from the gross receipts tax are
15 the receipts from carrying on chamber of commerce, visitor
16 bureau and convention bureau functions of organizations that
17 demonstrate to the department that they have been granted
18 exemption from the federal income tax by the United States
19 commissioner of internal revenue as organizations described in
20 Section 501(c)(6) of the United States Internal Revenue Code of
21 [~~1954~~] 1986, as that section may be amended or renumbered.

22 [~~C.~~] D. This section does not apply to receipts
23 derived from an unrelated trade or business as defined in
24 Section 513 of the United States Internal Revenue Code of
25 [~~1954~~] 1986, as that section may be amended or renumbered.

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1 E. The exemptions provided by this section shall
2 not apply to an organization that will have more than ten
3 million dollars (\$10,000,000) in receipts for the fiscal year
4 in which the exemption is claimed, as reasonably estimated by
5 the organization."

6 SECTION 39. A new Section 7-9-29.1 NMSA 1978 is enacted
7 to read:

8 "7-9-29.1. [NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--
9 CERTAIN ORGANIZATIONS.--

10 A. Except as provided in Subsection B of this
11 section, receipts of an organization described in Subsection A
12 of Section 7-9-29 NMSA 1978, but that is not eligible to claim
13 the exemption provided by that subsection due to the limitation
14 provided in Subsection E of that section, may be deducted from
15 gross receipts.

16 B. Receipts in excess of ten million dollars
17 (\$10,000,000) per fiscal year shall not be deducted pursuant to
18 this section.

19 C. A taxpayer allowed a deduction pursuant to this
20 section shall report the amount of the deduction separately in
21 a manner required by the department. The report shall include
22 the total amount of receipts deducted pursuant to this section
23 for the current fiscal year.

24 D. The department shall compile an annual report on
25 the deduction provided by this section that shall include the

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1 number of taxpayers that claimed the deduction, the aggregate
2 amount of deductions claimed and any other information
3 necessary to evaluate the effectiveness of the deduction. The
4 department shall present the report to the revenue
5 stabilization and tax policy committee and the legislative
6 finance committee with an analysis of the cost and benefit to
7 the state of the deduction."

8 SECTION 40. Section 7-9-73.1 NMSA 1978 (being Laws 1991,
9 Chapter 8, Section 3, as amended) is amended to read:

10 "7-9-73.1. DEDUCTION--GROSS RECEIPTS--GOVERNMENTAL GROSS
11 RECEIPTS--HOSPITALS.--

12 A. Fifty percent of the receipts of hospitals
13 licensed by the department of health may be deducted from gross
14 receipts; provided that this deduction may be applied only to
15 the taxable gross receipts remaining after all other
16 appropriate deductions have been taken.

17 B. Fifty percent of the receipts of a hospital
18 licensed by the department of health may be deducted from
19 governmental gross receipts."

20 SECTION 41. Section 7-9F-3 NMSA 1978 (being Laws 2000
21 (2nd S.S.), Chapter 22, Section 3, as amended) is amended to
22 read:

23 "7-9F-3. DEFINITIONS.--As used in the Technology Jobs
24 and Research and Development Tax Credit Act:

25 A. "affiliate" means a person who directly or

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1 indirectly owns or controls, is owned or controlled by or is
2 under common ownership or control with another person through
3 ownership of voting securities or other ownership interests
4 representing a majority of the total voting power of the
5 entity;

6 B. "annual payroll expense" means the wages paid or
7 payable to employees in the state by the taxpayer in the
8 taxable year for which the taxpayer applies for an additional
9 credit pursuant to the Technology Jobs and Research and
10 Development Tax Credit Act;

11 C. "base payroll expense" means the wages paid or
12 payable by the taxpayer in the taxable year prior to the
13 taxable year for which the taxpayer applies for an additional
14 credit pursuant to the Technology Jobs and Research and
15 Development Tax Credit Act, adjusted for any increase from the
16 preceding taxable year in the consumer price index for the
17 United States for all items as published by the United States
18 department of labor in the taxable year for which the
19 additional credit is claimed. In a taxable year during which a
20 taxpayer has been part of a business merger or acquisition or
21 other change in business organization, the taxpayer's base
22 payroll expense shall include the payroll expense of all
23 entities included in the reorganization for all positions that
24 are included in the business entity resulting from the
25 reorganization;

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1 D. "department" means the taxation and revenue
2 department, the secretary of taxation and revenue or any
3 employee of the department exercising authority lawfully
4 delegated to that employee by the secretary;

5 E. "facility" means a factory, mill, plant,
6 refinery, warehouse, dairy, feedlot, building or complex of
7 buildings located within the state, including the land on which
8 it is located and all machinery, equipment and other real and
9 tangible personal property located at or within it and used in
10 connection with its operation;

11 F. "local option gross receipts tax" means a tax
12 authorized to be imposed by a county or municipality upon ~~[the]~~
13 a taxpayer's gross receipts, as that term is defined in the
14 Gross Receipts and Compensating Tax Act, and required to be
15 collected by the department at the same time and in the same
16 manner as the gross receipts tax; "local option gross receipts
17 tax" includes the taxes imposed on a taxpayer's gross receipts
18 pursuant to the Municipal Local Option Gross Receipts ~~[Taxes]~~
19 and Compensating Tax Act, Supplemental Municipal Gross Receipts
20 Tax Act, County Local Option Gross Receipts ~~[Taxes]~~ and
21 Compensating Tax Act, Local Hospital Gross Receipts Tax Act,
22 County Correctional Facility Gross Receipts Tax Act and such
23 other acts as may be enacted authorizing counties or
24 municipalities to impose taxes on gross receipts, which taxes
25 are to be collected by the department in the same time and in

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1 the same manner as it collects the gross receipts tax;

2 G. "qualified expenditure" means an expenditure or
3 an allocated portion of an expenditure by a taxpayer in
4 connection with qualified research at a qualified facility,
5 including expenditures for depletable land and rent paid or
6 incurred for land, improvements, the allowable amount paid or
7 incurred to operate or maintain a facility, buildings,
8 equipment, computer software, computer software upgrades,
9 consultants and contractors performing work in New Mexico,
10 payroll, technical books and manuals and test materials, but
11 not including any expenditure on property that is owned by a
12 municipality or county in connection with an industrial revenue
13 bond project, property for which the taxpayer has received any
14 credit pursuant to the Investment Credit Act, property that was
15 owned by the taxpayer or an affiliate before July 3, 2000 or
16 research and development expenditures reimbursed by a person
17 who is not an affiliate of the taxpayer. If a "qualified
18 expenditure" is an allocation of an expenditure, the cost
19 accounting methodology used for the allocation of the
20 expenditure shall be the same cost accounting methodology used
21 by the taxpayer in its other business activities;

22 H. "qualified facility" means a facility in New
23 Mexico at which qualified research is conducted other than a
24 facility operated by a taxpayer for the United States or any
25 agency, department or instrumentality thereof;

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I. "qualified research" means research:

(1) that is undertaken for the purpose of discovering information:

(a) that is technological in nature; and

(b) the application of which is intended to be useful in the development of a new or improved business component of the taxpayer; and

(2) substantially all of the activities of which constitute elements of a process of experimentation related to a new or improved function, performance, reliability or quality, but not related to style, taste or cosmetic or seasonal design factors;

J. "qualified research and development small business" means a taxpayer that:

(1) employed no more than fifty employees as determined by the number of employees for which the taxpayer was liable for unemployment insurance coverage in the taxable year for which an additional credit is claimed;

(2) had total qualified expenditures of no more than five million dollars (\$5,000,000) in the taxable year for which an additional credit is claimed; and

(3) did not have more than fifty percent of its voting securities or other equity interest with the right to designate or elect the board of directors or other governing body of the business owned directly or indirectly by another

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1 business;

2 K. "rural area" means any area of the state other
3 than the state fairgrounds, an incorporated municipality with a
4 population of thirty thousand or more according to the most
5 recent federal decennial census and any area within three miles
6 of the external boundaries of an incorporated municipality with
7 a population of thirty thousand or more according to the most
8 recent federal decennial census;

9 L. "taxpayer" means any of the following persons,
10 other than a federal, state or other governmental unit or
11 subdivision or an agency, department, institution or
12 instrumentality thereof:

13 (1) a person liable for payment of any tax;

14 (2) a person responsible for withholding and
15 payment or collection and payment of any tax;

16 (3) a person to whom an assessment has been
17 made if the assessment remains unabated or the assessed amount
18 has not been paid; or

19 (4) for purposes of the additional credit
20 against the taxpayer's income tax pursuant to the Technology
21 Jobs and Research and Development Tax Credit Act and to the
22 extent of their respective interest in that entity, the
23 shareholders, members, partners or other owners of:

24 (a) a small business corporation that
25 has elected to be treated as an S corporation for federal

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1 income tax purposes; or

2 (b) an entity treated as a partnership
3 or disregarded entity for federal income tax purposes; and

4 M. "wages" means remuneration for services
5 performed by an employee in New Mexico for an employer."

6 SECTION 42. Section 7-13-3 NMSA 1978 (being Laws 1971,
7 Chapter 207, Section 3, as amended) is amended to read:

8 "7-13-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
9 "GASOLINE TAX".--

10 A. For the privilege of receiving gasoline in this
11 state, there is imposed an excise tax at a rate provided in
12 Subsection B of this section on each gallon of gasoline
13 received in New Mexico.

14 B. The tax imposed by Subsection A of this section
15 shall be:

16 (1) prior to July 1, 2020, seventeen cents
17 (\$.17) per gallon received in New Mexico; and

18 (2) on and after July 1, 2020, twenty-seven
19 cents (\$.27) per gallon received in New Mexico.

20 C. The tax imposed by this section may be called
21 the "gasoline tax".

22 SECTION 43. Section 7-14-4 NMSA 1978 (being Laws 1988,
23 Chapter 73, Section 14) is amended to read:

24 "7-14-4. DETERMINATION OF AMOUNT OF MOTOR VEHICLE EXCISE
25 TAX.--The rate of the motor vehicle excise tax is [~~three~~

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1 ~~percent]~~ equal to the rate in effect and imposed pursuant to
2 Section 7-9-4 NMSA 1978 and is applied to the price paid for
3 the vehicle. If the price paid does not represent the value of
4 the vehicle in the condition that existed at the time it was
5 acquired, the tax rate shall be applied to the reasonable value
6 of the vehicle in such condition at such time. However,
7 allowances granted for vehicle trade-ins may be deducted from
8 the price paid or the reasonable value of the vehicle
9 purchased."

10 SECTION 44. Section 7-14-10 NMSA 1978 (being Laws 1988,
11 Chapter 73, Section 20, as amended) is amended to read:

12 "7-14-10. DISTRIBUTION OF PROCEEDS.--The receipts from
13 the tax and any associated interest and penalties shall be
14 deposited in the "motor vehicle suspense fund", hereby created
15 in the state treasury. As of the end of each month, the net
16 receipts attributable to the tax and associated penalties and
17 interest shall be distributed as follows:

18 A. [~~four and fifteen hundredths~~] two and sixty-
19 eight hundredths percent to the state road fund; and

20 B. the remainder to the general fund."

21 SECTION 45. Section 7-16A-3 NMSA 1978 (being Laws 1992,
22 Chapter 51, Section 3, as amended) is amended to read:

23 "7-16A-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
24 SPECIAL FUEL EXCISE TAX.--

25 A. For the privilege of receiving or using special

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1 fuel in this state, there is imposed an excise tax at a rate
2 provided in Subsection B of this section on each gallon of
3 special fuel received in New Mexico.

4 B. The tax imposed by Subsection A of this section
5 shall be:

6 (1) prior to July 1, 2020, twenty-one cents
7 (\$.21) per gallon of special fuel received or used in New
8 Mexico; and

9 (2) on and after July 1, 2020, twenty-six
10 cents (\$.26) per gallon of special fuel received or used in New
11 Mexico.

12 C. The tax imposed by this section may be called
13 the "special fuel excise tax".

14 SECTION 46. Section 7-19D-1 NMSA 1978 (being Laws 1993,
15 Chapter 346, Section 1) is amended to read:

16 "7-19D-1. SHORT TITLE.--Chapter 7, Article 19D NMSA 1978
17 may be cited as the "Municipal Local Option Gross Receipts
18 [~~Taxes~~] and Compensating Tax Act".

19 SECTION 47. Section 7-19D-5 NMSA 1978 (being Laws 1993,
20 Chapter 346, Section 5, as amended) is amended to read:

21 "7-19D-5. SPECIFIC EXEMPTIONS.--No tax authorized by the
22 provisions of the Municipal Local Option Gross Receipts [~~Taxes~~]
23 and Compensating Tax Act shall be imposed on the gross receipts
24 arising from:

25 A. prior to July 1, 2021, transporting persons or

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1 property for hire by railroad, motor vehicle, air
2 transportation or any other means from one point within the
3 municipality to another point outside the municipality; or

4 B. a business located outside the boundaries of a
5 municipality on land owned by that municipality for which a
6 state gross receipts tax distribution is made pursuant to
7 Section 7-1-6.4 NMSA 1978."

8 SECTION 48. Section 7-19D-7 NMSA 1978 (being Laws 1993,
9 Chapter 346, Section 7, as amended) is amended to read:

10 "7-19D-7. COLLECTION BY DEPARTMENT [~~TRANSFER OF~~
11 ~~PROCEEDS--DEDUCTIONS~~].--[A.] The department shall collect each
12 tax imposed pursuant to the provisions of the Municipal Local
13 Option Gross Receipts [~~Taxes~~] and Compensating Tax Act in the
14 same manner and at the same time it collects the state gross
15 receipts [~~tax~~] and compensating taxes.

16 [~~B. Except as provided in Subsection C of this~~
17 ~~section, the department shall withhold an administrative fee~~
18 ~~pursuant to Section 1 of this 1997 act. The department shall~~
19 ~~transfer to each municipality for which it is collecting a tax~~
20 ~~pursuant to the provisions of the Municipal Local Option Gross~~
21 ~~Receipts Taxes Act the amount of each tax collected for that~~
22 ~~municipality, less the administrative fee withheld and less any~~
23 ~~disbursements for tax credits, refunds and the payment of~~
24 ~~interest applicable to the tax. The transfer to the~~
25 ~~municipality shall be made within the month following the month~~

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1 ~~in which the tax is collected.~~

2 ~~G. With respect to the municipal gross receipts tax~~
3 ~~imposed by a municipality pursuant to Section 7-19D-9 NMSA~~
4 ~~1978, the department shall withhold the administrative fee~~
5 ~~pursuant to Section 1 of this 1997 act only on that portion of~~
6 ~~the municipal gross receipts tax arising from a municipal gross~~
7 ~~receipts tax rate in excess of one-half of one percent.]"~~

8 SECTION 49. A new Section 7-19D-9.1 NMSA 1978 is enacted
9 to read:

10 "7-19D-9.1. [NEW MATERIAL] MUNICIPAL COMPENSATING TAX.--

11 A. Beginning July 1, 2021, for the privilege of
12 using tangible personal property in a municipality, there is
13 imposed on the person using the property an excise tax at a
14 rate equal to the combined rates imposed and in effect pursuant
15 to the Supplemental Municipal Gross Receipts Tax Act and the
16 Municipal Local Option Gross Receipts and Compensating Tax Act
17 of the value of tangible personal property that was:

18 (1) manufactured by the person using the
19 property in the state; or

20 (2) acquired inside or outside this state as
21 the result of a transaction with a person located outside this
22 state that would have been subject to the state gross receipts
23 tax had the tangible personal property been acquired from a
24 person with nexus with New Mexico.

25 B. For the purpose of Subsection A of this section,

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1 the value of tangible personal property shall be the adjusted
2 basis of the property for federal income tax purposes
3 determined as of the time of acquisition or introduction into
4 this state or of conversion to use, whichever is later. If no
5 adjusted basis for federal income tax purposes is established
6 for the property, a reasonable value of the property shall be
7 used.

8 C. For the privilege of using a license or
9 franchise in a municipality, there is imposed on the person
10 using the license or franchise an excise tax equal to the tax
11 rate provided in Subsection A of this section against the value
12 of the license or franchise as determined pursuant to Section
13 7-9-7 NMSA 1978. For use of a license or franchise to be
14 taxable under this subsection, the value of the license or
15 franchise shall be acquired inside or outside this state as the
16 result of a transaction with a person located outside this
17 state that would have been subject to the gross receipts tax
18 had the license or franchise been acquired from a person with
19 nexus with this state.

20 D. For the privilege of using services in a
21 municipality, there is imposed on the person using the services
22 an excise tax at the rate provided in Subsection A of this
23 section of the value of the services at the time the product of
24 the service was acquired. For use of services to be taxable
25 under this subsection, the services shall have been performed

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1 by a person outside this state and the product of which was
2 acquired inside or outside this state as the result of a
3 transaction with a person located outside this state that would
4 have been subject to the gross receipts tax had the service or
5 product of the service been acquired from a person with nexus
6 with this state.

7 E. The governing body of a municipality may
8 dedicate the revenue from the tax imposed pursuant to this
9 section for any municipal purpose. If the governing body
10 proposes to dedicate revenue for a specific purpose, the
11 dedicated revenue shall be used by the municipality for that
12 purpose unless a subsequent ordinance is adopted to change the
13 purpose to which the revenue is dedicated or to place the
14 revenue in the general fund of the municipality.

15 F. Any law that affects the municipal compensating
16 tax, or any law supplemental or otherwise appertaining thereto,
17 shall not be repealed or amended or otherwise directly or
18 indirectly modified in such a manner as to impair adversely any
19 outstanding revenue bonds that may be secured by a pledge of
20 such municipal compensating tax unless such outstanding revenue
21 bonds have been discharged in full or provision has been fully
22 made therefor.

23 G. The tax imposed by this section may be cited as
24 the "municipal compensating tax".

25 SECTION 50. Section 7-20E-1 NMSA 1978 (being Laws 1993,
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1 Chapter 354, Section 1) is amended to read:

2 "7-20E-1. SHORT TITLE.--Chapter 7, Article 20E NMSA 1978
3 may be cited as the "County Local Option Gross Receipts [~~Taxes~~]
4 and Compensating Tax Act"."

5 SECTION 51. Section 7-20E-7 NMSA 1978 (being Laws 1993,
6 Chapter 354, Section 7, as amended) is amended to read:

7 "7-20E-7. COLLECTION BY DEPARTMENT [~~TRANSFER OF~~
8 ~~PROCEEDS--DEDUCTIONS~~].--[A.] The department shall collect each
9 tax imposed pursuant to the provisions of the County Local
10 Option Gross Receipts [~~Taxes~~] and Compensating Tax Act in the
11 same manner and at the same time it collects the state gross
12 receipts [~~tax~~] and compensating taxes.

13 [~~B. The department shall withhold an administrative~~
14 ~~fee pursuant to Section 7-1-6.41 NMSA 1978. The department~~
15 ~~shall transfer to each county for which it is collecting a tax~~
16 ~~pursuant to the provisions of the County Local Option Gross~~
17 ~~Receipts Taxes Act the amount of each tax collected for that~~
18 ~~county, less the administrative fee withheld and less any~~
19 ~~disbursements for tax credits, refunds and the payment of~~
20 ~~interest applicable to the tax. The transfer to the county~~
21 ~~shall be made within the month following the month in which the~~
22 ~~tax is collected.]"~~

23 SECTION 52. A new Section 7-20E-9.1 NMSA 1978 is enacted
24 to read:

25 "7-20E-9.1. [NEW MATERIAL] COUNTY COMPENSATING TAX.--

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1 A. Beginning July 1, 2021, for the privilege of
2 using tangible personal property in a county, there is imposed
3 on the person using the property an excise tax at a rate equal
4 to the combined rates imposed and in effect pursuant to the
5 Local Hospital Gross Receipts Tax Act, the County Local Option
6 Gross Receipts and Compensating Tax Act and the County
7 Correctional Facility Gross Receipts Tax Act of the value of
8 tangible personal property that was:

9 (1) manufactured by the person using the
10 property in the state; or

11 (2) acquired inside or outside this state as
12 the result of a transaction with a person located outside this
13 state that would have been subject to the state gross receipts
14 tax had the tangible personal property been acquired from a
15 person with nexus with New Mexico.

16 B. For the purpose of Subsection A of this section,
17 the value of tangible personal property shall be the adjusted
18 basis of the property for federal income tax purposes
19 determined as of the time of acquisition or introduction into
20 this state or of conversion to use, whichever is later. If no
21 adjusted basis for federal income tax purposes is established
22 for the property, a reasonable value of the property shall be
23 used.

24 C. For the privilege of using a license or
25 franchise in a county, there is imposed on the person using the

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1 license or franchise an excise tax equal to the tax rate
2 provided in Subsection A of this section against the value of
3 the license or franchise as determined pursuant to Section
4 7-9-7 NMSA 1978. For use of a license or franchise to be
5 taxable under this subsection, the value of the license or
6 franchise shall be acquired inside or outside this state as the
7 result of a transaction with a person located outside this
8 state that would have been subject to the gross receipts tax
9 had the license or franchise been acquired from a person with
10 nexus with this state.

11 D. For the privilege of using services in a county,
12 there is imposed on the person using the services an excise tax
13 at the rate provided in Subsection A of this section of the
14 value of the services at the time the product of the service
15 was acquired. For use of services to be taxable under this
16 subsection, the services shall have been performed by a person
17 outside this state and the product of which was acquired inside
18 or outside this state as the result of a transaction with a
19 person located outside this state that would have been subject
20 to the gross receipts tax had the service or product of the
21 service been acquired from a person with nexus with this state.

22 E. The governing body of a county may dedicate the
23 revenue from the tax imposed pursuant to this section for any
24 county purpose. If the governing body proposes to dedicate
25 revenue for a specific purpose, the dedicated revenue shall be

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1 used by the county for that purpose unless a subsequent
2 ordinance is adopted to change the purpose to which the revenue
3 is dedicated or to place the revenue in the general fund of the
4 county.

5 F. Any law that affects the county compensating
6 tax, or any law supplemental or otherwise appertaining thereto,
7 shall not be repealed or amended or otherwise directly or
8 indirectly modified in such a manner as to impair adversely any
9 outstanding revenue bonds that may be secured by a pledge of
10 such county compensating tax unless such outstanding revenue
11 bonds have been discharged in full or provision has been fully
12 made therefor.

13 G. The tax imposed by this section may be cited as
14 the "county compensating tax".

15 SECTION 53. Section 7-40-6 NMSA 1978 (being Laws 2018,
16 Chapter 57, Section 6) is amended to read:

17 "7-40-6. CREDIT--MEDICAL INSURANCE POOL ASSESSMENTS.--
18 The assessment for any New Mexico medical insurance pool member
19 pursuant to Section 59A-54-10 NMSA 1978 shall be allowed [~~as a~~
20 ~~fifty percent credit~~] as follows:

- 21 A. on the tax return for that member:
- 22 (1) beginning January 1, 2020 and prior to
 - 23 January 1, 2021, a thirty-three and thirty-four hundredths
 - 24 percent credit; and
 - 25 (2) beginning January 1, 2021 and prior to

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1 January 1, 2022, a sixteen and sixty-seven hundredths percent
2 credit; and [a seventy-five percent credit]

3 B. on the tax return for that member for the
4 assessments attributable to pool policyholders that receive
5 premiums, in whole or in part, through the federal Ryan White
6 [~~CARE~~] Comprehensive AIDS Resources Emergency Act of 1990, the
7 Ted R. Montoya hemophilia program at the university of New
8 Mexico health sciences center, the children's medical services
9 bureau of the public health division of the department of
10 health or other program receiving state funding or assistance:

11 (1) beginning January 1, 2020 and prior to
12 January 1, 2021, a fifty percent credit; and

13 (2) beginning January 1, 2021 and prior to
14 January 1, 2022, a twenty-five percent credit."

15 **SECTION 54.** Section 66-6-2 NMSA 1978 (being Laws 1978,
16 Chapter 35, Section 337, as amended) is amended to read:

17 "66-6-2. PASSENGER VEHICLES--REGISTRATION FEES.--For the
18 registration of motor vehicles other than motorcycles, trucks,
19 buses and tractors, the division shall collect the following
20 fees for each twelve-month registration period:

21 A. for a vehicle whose gross factory shipping
22 weight is not more than two thousand pounds, [~~twenty-seven~~
23 ~~dollars (\$27.00); provided, however, that after five years of~~
24 ~~registration, calculated from the date when the vehicle was~~
25 ~~first registered in this or another state, the fee is twenty-~~

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1 ~~one dollars (\$21.00)]~~ thirty-three dollars seventy-five cents
2 (\$33.75);

3 B. for a vehicle whose gross factory shipping
4 weight is more than two thousand but not more than three
5 thousand pounds, [~~thirty-nine dollars (\$39.00); provided,~~
6 ~~however, that after five years of registration, calculated from~~
7 ~~the date when the vehicle was first registered in this or~~
8 ~~another state, the fee is thirty-one dollars (\$31.00)] forty-
9 eight dollars seventy-five cents (\$48.75);~~

10 C. for a vehicle whose gross factory shipping
11 weight is more than three thousand pounds, [~~fifty-six dollars~~
12 ~~(\$56.00); provided, however, that after five years of~~
13 ~~registration, calculated from the date when the vehicle was~~
14 ~~first registered in this or another state, the fee is forty-~~
15 ~~five dollars (\$45.00)] seventy dollars (\$70.00); and~~

16 D. for a vehicle registered pursuant to the
17 provisions of this section, a tire recycling fee of one dollar
18 fifty cents (\$1.50)."

19 SECTION 55. Section 66-6-4 NMSA 1978 (being Laws 1978,
20 Chapter 35, Section 339, as amended) is amended to read:

21 "66-6-4. REGISTRATION FEES--TRUCKS, TRUCK TRACTORS, ROAD
22 TRACTORS AND BUSES.--

23 A. Within their respective jurisdictions, the motor
24 vehicle division and the [~~motor transportation~~] New Mexico
25 state police division of the department of public safety shall

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1 charge registration fees for trucks, truck tractors, road
2 tractors and buses, except as otherwise provided by law,
3 according to the schedule of Subsection B of this section.

4	B. Declared Gross Weight	Fee
5	001 to 4,000	[\$40] <u>\$50</u>
6	4,001 to 6,000	[55] <u>65</u>
7	6,001 to 8,000	[69] <u>79</u>
8	8,001 to 10,000	[84] <u>94</u>
9	10,001 to 12,000	[99] <u>109</u>
10	12,001 to 14,000	[113] <u>123</u>
11	14,001 to 16,000	[128] <u>138</u>
12	16,001 to 18,000	[143] <u>153</u>
13	18,001 to 20,000	[157] <u>167</u>
14	20,001 to 22,000	[172] <u>182</u>
15	22,001 to 24,000	[187] <u>197</u>
16	24,001 to 26,000	[201] <u>211</u>
17	26,001 to 48,000	[118] <u>128</u>
18	48,001 and over	[172] <u>182</u> .

19 ~~[G. All trucks whose declared gross weight or whose~~
20 ~~gross vehicle weight is less than twenty-six thousand pounds,~~
21 ~~after five years of registration, calculated from the date when~~
22 ~~the vehicle was first registered in this or another state,~~
23 ~~shall be charged registration fees at eighty percent of the~~
24 ~~rate set out in Subsection B of this section.~~

25 ~~D.]~~ C. All trucks with a gross vehicle weight of

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1 more than twenty-six thousand pounds and all truck tractors and
2 road tractors used to tow freight trailers shall be registered
3 on the basis of gross combination vehicle weight.

4 ~~[E.]~~ D. All trucks with a gross vehicle weight of
5 twenty-six thousand pounds or less shall be registered on the
6 basis of gross vehicle weight. A trailer, semitrailer or pole
7 trailer towed by a truck of such gross vehicle weight shall be
8 classified as a utility trailer for registration purposes
9 unless otherwise provided by law.

10 ~~[F.]~~ E. All farm vehicles having a declared gross
11 weight of more than six thousand pounds shall be charged
12 registration fees of two-thirds of the rate of the respective
13 fees provided in this section and shall be issued distinctive
14 registration plates. "Farm vehicle" means a vehicle owned by a
15 person whose principal occupation is farming or ranching and
16 which vehicle is used principally in the transportation of farm
17 and ranch products to market and farm and ranch supplies and
18 livestock from the place of purchase to farms and ranches in
19 this state; provided that the vehicle is not used for hire.

20 ~~[G.]~~ F. In addition to other registration fees
21 imposed by this section, [~~beginning July 1, 1994~~] an annual
22 tire recycling fee of one dollar fifty cents (\$1.50) is imposed
23 at the time of registration on each vehicle subject to a
24 registration fee pursuant to this section, except for vehicles
25 with a declared gross weight of greater than twenty-six

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1 thousand pounds upon which registration fees are imposed by
2 Subsection B of this section.

3 [~~H.~~] G. Three percent of registration fees of
4 trucks having from twenty-six thousand one pounds to forty-
5 eight thousand pounds declared gross vehicle weight is to be
6 transferred to the recycling and illegal dumping fund pursuant
7 to the provisions of Section 66-6-23 NMSA 1978.

8 [~~H.~~] H. Three and seventy-five hundredths percent
9 of registration fees of trucks in excess of forty-eight
10 thousand pounds declared gross vehicle weight is to be
11 transferred to the recycling and illegal dumping fund pursuant
12 to the provisions of Section 66-6-23 NMSA 1978."

13 **SECTION 56.** A new section of the Motor Vehicle Code is
14 enacted to read:

15 "[NEW MATERIAL] **ADDITIONAL REGISTRATION FEE--ELECTRIC AND**
16 **HYBRID VEHICLES.--**

17 A. For registration of vehicles subject to the
18 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA
19 1978, there is imposed an additional fee of fifty dollars
20 (\$50.00) for electric vehicles and thirty dollars (\$30.00) for
21 hybrid vehicles for each twelve-month period for which a
22 vehicle with a gross vehicle weight under twenty-six thousand
23 pounds is registered.

24 B. As used in this section:

25 (1) "electric vehicle" means a motor vehicle

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1 with four wheels that:

2 (a) is made by a manufacturer;

3 (b) has not been modified from the
4 original manufacturer specifications;

5 (c) is purchased or leased by a consumer
6 from a dealer for the first time after delivery from the
7 manufacturer to the dealer;

8 (d) has a maximum speed capability of at
9 least sixty-five miles per hour; and

10 (e) is propelled to a significant extent
11 by an electric motor that draws electricity from a battery
12 that: 1) has a capacity of not less than four kilowatt-hours;
13 and 2) is capable of being recharged from an external source of
14 electricity; and

15 (2) "hybrid vehicle" means a motor vehicle
16 that uses both an internal combustion engine and an electric
17 motor, has a battery pack that has a capacity of not less than
18 four kilowatt-hours and is capable of operation without the use
19 of the internal combustion engine for an all-electric range of
20 at least ten miles."

21 SECTION 57. Section 66-6-23 NMSA 1978 (being Laws 1978,
22 Chapter 35, Section 358, as amended) is amended to read:

23 "66-6-23. DISPOSITION OF FEES.--

24 A. After the necessary disbursements for refunds
25 and other purposes have been made, the money remaining in the

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1 motor vehicle suspense fund, except for remittances received
2 within the previous two months that are unidentified as to
3 source or disposition, shall be distributed as follows:

4 (1) to each municipality, county or fee agent
5 operating a motor vehicle field office:

6 (a) an amount equal to six dollars
7 (\$6.00) per driver's license and five dollars (\$5.00) per
8 identification card or motor vehicle or motorboat registration
9 or title transaction performed;

10 (b) for each such agent determined by
11 the secretary pursuant to Section 66-2-16 NMSA 1978 to have
12 performed ten thousand or more transactions in the preceding
13 fiscal year, other than a class A county with a population
14 exceeding three hundred thousand or a municipality with a
15 population exceeding three hundred thousand that has been
16 designated as an agent pursuant to Section 66-2-14.1 NMSA 1978,
17 an amount equal to one dollar (\$1.00) in addition to the amount
18 distributed pursuant to Subparagraph (a) of this paragraph for
19 each driver's license, identification card, motor vehicle
20 registration, motorboat registration or title transaction
21 performed; and

22 (c) to each military installation
23 designated as a fee agent pursuant to Section 66-2-14.1 NMSA
24 1978, an amount equal to one dollar fifty cents (\$1.50) in
25 addition to the amount distributed pursuant to Subparagraph (a)

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1 of this paragraph for each administrative service fee remitted
2 by the military installation to the department pursuant to
3 Subsection A of Section 66-2-16 NMSA 1978;

4 (2) to each municipality or county, other than
5 a class A county with a population exceeding three hundred
6 thousand or a municipality with a population exceeding three
7 hundred thousand that has been designated as an agent pursuant
8 to Section 66-2-14.1 NMSA 1978, operating a motor vehicle field
9 office, an amount equal to one dollar fifty cents (\$1.50) for
10 each administrative service fee remitted by that county or
11 municipality to the department pursuant to the provisions of
12 Subsection A of Section 66-2-16 NMSA 1978;

13 (3) to the state road fund:

14 (a) an amount equal to the fees
15 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA
16 1978;

17 (b) an amount equal to the fee collected
18 pursuant to Section 66-3-417 NMSA 1978;

19 (c) the remainder of each driver's
20 license fee collected by the department employees from an
21 applicant to whom a license is granted after deducting from the
22 driver's license fee the amount of the distribution authorized
23 in Paragraph (1) of this subsection with respect to that
24 collected driver's license fee; ~~and~~

25 (d) an amount equal to fifty percent of

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1 the fees collected pursuant to Section 66-6-19 NMSA 1978; and
2 (e) an amount equal to the fee collected
3 pursuant to Section 56 of this 2019 act;

4 (4) to the local governments road fund, the
5 amount of the fees collected pursuant to Subsection B of
6 Section 66-5-33.1 NMSA 1978 and the remainder of the fees
7 collected pursuant to Subsection A of Section 66-5-408 NMSA
8 1978;

9 (5) to the department:

10 (a) any amounts reimbursed to the
11 department pursuant to Subsection D of Section 66-2-14.1 NMSA
12 1978;

13 (b) an amount equal to two dollars
14 (\$2.00) of each motorcycle registration fee collected pursuant
15 to Section 66-6-1 NMSA 1978;

16 (c) an amount equal to the fees provided
17 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E
18 of Section 66-2-16 NMSA 1978, Subsections K and L of Section
19 66-3-6 NMSA 1978 other than the administrative fee, Subsection
20 C of Section 66-5-44 NMSA 1978 and Subsection B of Section
21 66-5-408 NMSA 1978;

22 (d) the amounts due to the department
23 for the manufacture and issuance of a special registration
24 plate collected pursuant to the section of law authorizing the
25 issuance of the specialty plate;

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1 (e) an amount equal to the registration
2 fees collected pursuant to Section 66-6-6.1 NMSA 1978 for the
3 purposes of enforcing the provisions of the Mandatory Financial
4 Responsibility Act and for creating and maintaining a
5 multilanguage noncommercial driver's license testing program;
6 and after those purposes are met, the balance of the
7 registration fees shall be distributed to the department to
8 defray the costs of operating the [~~motor vehicle~~] division;

9 (f) an amount equal to fifty cents
10 (\$.50) for each administrative fee remitted to the department
11 by a county or municipality operating a motor vehicle field
12 office pursuant to Subsection A of Section 66-2-16 NMSA 1978;

13 (g) an amount equal to one dollar
14 twenty-five cents (\$.25) for each administrative fee collected
15 by the department or any of its agents other than a county or
16 municipality operating a motor vehicle field office pursuant to
17 Subsection A of Section 66-2-16 NMSA 1978; and

18 (h) an amount equal to the royalties or
19 other consideration paid by commercial users of databases of
20 motor vehicle-related records of the department pursuant to
21 Subsection C of Section 14-3-15.1 NMSA 1978 for the purpose of
22 defraying the costs of maintaining databases of motor vehicle-
23 related records of the department; and after that purpose is
24 met, the balance of the royalties and other consideration shall
25 be distributed to the department to defray the costs of

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1 operating the [~~motor vehicle~~] division or for use pursuant to
2 Subsection F of Section 66-6-13 NMSA 1978;

3 (6) to each New Mexico institution of higher
4 education, an amount equal to that part of the fees distributed
5 pursuant to Paragraph (2) of Subsection D of Section 66-3-416
6 NMSA 1978 proportionate to the number of special registration
7 plates issued in the name of the institution to all such
8 special registration plates issued in the name of all
9 institutions;

10 (7) to the armed forces veterans license fund,
11 the amount to be distributed pursuant to Paragraph (2) of
12 Subsection E of Section 66-3-419 NMSA 1978;

13 (8) to the children's trust fund, the amount
14 to be distributed pursuant to Paragraph (2) of Subsection D of
15 Section 66-3-420 NMSA 1978;

16 (9) to the department of transportation, an
17 amount equal to the fees collected pursuant to Section 66-5-35
18 NMSA 1978;

19 (10) to the state equalization guarantee
20 distribution made annually pursuant to the general
21 appropriation act, an amount equal to one hundred percent of
22 the driver safety fee collected pursuant to Subsection D of
23 Section 66-5-44 NMSA 1978;

24 (11) to the motorcycle training fund, two
25 dollars (\$2.00) of each motorcycle registration fee collected

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1 pursuant to Section 66-6-1 NMSA 1978;

2 (12) to the recycling and illegal dumping
3 fund:

4 (a) fifty cents (\$.50) of the tire
5 recycling fee collected pursuant to the provisions of Section
6 66-6-1 NMSA 1978;

7 (b) fifty cents (\$.50) of each of the
8 tire recycling fees collected pursuant to the provisions of
9 Sections 66-6-2 and 66-6-4 NMSA 1978; and

10 (c) twenty-five cents (\$.25) of each of
11 the tire recycling fees collected pursuant to Sections 66-6-5
12 and 66-6-8 NMSA 1978;

13 (13) to the highway infrastructure fund:

14 (a) fifty cents (\$.50) of the tire
15 recycling fee collected pursuant to the provisions of Section
16 66-6-1 NMSA 1978;

17 (b) one dollar (\$1.00) of each of the
18 tire recycling fees collected pursuant to the provisions of
19 Sections 66-6-2 and 66-6-4 NMSA 1978; and

20 (c) twenty-five cents (\$.25) of each of
21 the tire recycling fees collected pursuant to Sections 66-6-5
22 and 66-6-8 NMSA 1978;

23 (14) to each county, an amount equal to fifty
24 percent of the fees collected pursuant to Section 66-6-19 NMSA
25 1978 multiplied by a fraction, the numerator of which is the

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1 total mileage of public roads maintained by the county and the
2 denominator of which is the total mileage of public roads
3 maintained by all counties in the state;

4 (15) to the litter control and beautification
5 fund, an amount equal to the fees collected pursuant to Section
6 66-6-6.2 NMSA 1978;

7 (16) to the local government division of the
8 department of finance and administration, an amount equal to
9 the fees collected pursuant to Section 66-3-424.3 NMSA 1978 for
10 distribution to each county to support animal control spaying
11 and neutering programs in an amount proportionate to the number
12 of residents of that county who have purchased pet care special
13 registration plates pursuant to Section 66-3-424.3 NMSA 1978;
14 and

15 (17) to the Cumbres and Toltec scenic railroad
16 commission, twenty-five dollars (\$25.00) collected pursuant to
17 the Cumbres and Toltec scenic railroad special registration
18 plate.

19 B. The balance, exclusive of unidentified
20 remittances, shall be distributed in accordance with Section
21 66-6-23.1 NMSA 1978.

22 C. If any of the paragraphs, subsections or
23 sections referred to in Subsection A of this section are
24 recompiled or otherwise redesignated without a corresponding
25 change to Subsection A of this section, the reference in

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1 Subsection A of this section shall be construed to be the
2 recompiled or redesignated paragraph, subsection or section."

3 SECTION 58. TEMPORARY PROVISION--REFERENCES IN LAW.--

4 A. References in law to the County Local Option
5 Gross Receipts Taxes Act shall be deemed to be references to
6 the County Local Option Gross Receipts and Compensating Tax
7 Act.

8 B. References in law to the Municipal Local Option
9 Gross Receipts Taxes Act shall be deemed to be references to
10 the Municipal Local Option Gross Receipts and Compensating Tax
11 Act.

12 SECTION 59. REPEAL.--

13 A. Sections 7-1-6.55 and 7-1-6.57 NMSA 1978 (being
14 Laws 2007, Chapter 331, Section 4 and Laws 2007, Chapter 361,
15 Section 1) are repealed.

16 B. Sections 7-9-13.4, 7-9-26.1, 7-9-54.1, 7-9-56.2,
17 7-9-60, 7-9-73.3, 7-9-76, 7-9-76.1, 7-9-83, 7-9-84, 7-9-94,
18 7-9-96.1, 7-9-97, 7-9-102 through 7-9-103.2 and 7-9-105 NMSA
19 1978 (being Laws 2002, Chapter 20, Section 1, Laws 2003,
20 Chapter 62, Section 1, Laws 1992, Chapter 40, Section 1, Laws
21 1998, Chapter 92, Section 2, Laws 1970, Chapter 12, Section 4,
22 Laws 2014, Chapter 26, Section 1, Laws 1977, Chapter 288,
23 Section 2, Laws 1979, Chapter 338, Section 7, Laws 1993,
24 Chapter 364, Sections 1 and 2, Laws 2005, Chapter 104, Section
25 23, Laws 2007, Chapter 361, Section 7, Laws 2005, Chapter 169,

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1 Section 1, Laws 2007, Chapter 3, Sections 17 and 18, Laws 2012,
2 Chapter 12, Sections 2 and 3 and Laws 2007, Chapter 45, Section
3 6, as amended) are repealed.

4 **SECTION 60. ADDITIONAL REPEAL.--**

5 A. Sections 7-2-18.4, 7-2-18.5, 7-2-18.8, 7-2-18.21
6 and 7-2-18.27 NMSA 1978 (being Laws 1994, Chapter 115, Section
7 1, Laws 1998, Chapter 97, Section 2, Laws 2001, Chapter 73,
8 Section 1, Laws 2007, Chapter 204, Section 7 and Laws 2011,
9 Chapter 89, Section 1) are repealed.

10 B. Sections 7-2A-8, 7-2A-8.4, 7-2A-8.8, 7-2A-15,
11 7-2A-18 and 7-2A-23 NMSA 1978 (being Laws 1981, Chapter 37,
12 Section 41, Laws 1983, Chapter 213, Section 13, Laws 1998,
13 Chapter 97, Section 3, Laws 1994, Chapter 115, Section 2, Laws
14 2001, Chapter 73, Section 2 and Laws 2007, Chapter 204, Section
15 8) are repealed.

16 C. Section 7-2D-8.1 NMSA 1978 (being Laws 1995,
17 Chapter 89, Section 8) is repealed.

18 **SECTION 61. ADDITIONAL REPEAL.--**That version of Section
19 7-2-7 NMSA 1978 (being Laws 2005 (1st S.S.), Chapter 3, Section
20 2) and Section 7-2-7.3 NMSA 1978 (being Laws 2005 (1st S.S.)
21 Chapter 3, Section 4) are repealed.

22 **SECTION 62. DELAYED REPEAL.--**Effective July 1, 2021:

23 A. Section 20 of this act is repealed;

24 B. Sections 7-1-6.46 and 7-1-6.47 NMSA 1978 (being
25 Laws 2004, Chapter 116, Sections 1 and 2, as amended) are

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1 repealed; and

2 C. Section 7-20E-5 NMSA 1978 (being Laws 1993,
3 Chapter 354, Section 5, as amended) is repealed.

4 SECTION 63. APPLICABILITY.--The provisions of Sections
5 24 through 29 and 60 of this act apply to taxable years
6 beginning on or after January 1, 2020.

7 SECTION 64. EFFECTIVE DATE.--

8 A. The effective date of the provisions of Sections
9 1 through 3, 8 through 10, 14, 16, 17, 20 through 22 and 30
10 through 59 of this act is July 1, 2019.

11 B. The effective date of the provisions of Sections
12 24 through 29 and 60 of this act is January 1, 2020.

13 C. The effective date of the provisions of Sections
14 4 through 7, 11 through 13, 15, 18 and 19 of this act is July
15 1, 2020.

16 D. The effective date of the provisions of Section
17 23 of this act is July 1, 2021.