

1 SENATE BILL 464

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Carlos R. Cisneros

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION
12 FOR OUTDOOR WATER CONSERVATION PRODUCTS THAT ARE PURCHASED
13 DURING A SPECIFIC TIME PERIOD.

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

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

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

20 A. Prior to July 1, 2024, receipts from the sale at
21 retail of water-saving tangible personal property may be
22 deducted from gross receipts if the sale occurs during the
23 period beginning at midnight on March 1 and ending at midnight
24 on March 8.

25 B. The purpose of the deduction provided by this

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

5 C. A taxpayer allowed a deduction pursuant to this
6 section shall report the amount of the deduction separately in
7 a manner required by the department.

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

16 E. For the purposes of this section, "water-saving
17 tangible personal property":

18 (1) means products:

19 (a) intended for use on private, shared
20 or communal property and not intended for business use, trade
21 or resale; and

22 (b) whose use or planting in outdoor
23 residential properties may result in: 1) water conservation or
24 ground water retention; 2) water table recharge; or 3) a
25 decrease in ambient air temperature that limits water

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1 evaporation; and

2 (2) includes:

3 (a) drought-tolerant live plants, turf
4 and grass;

5 (b) moisture controls for sprinkler or
6 irrigation systems;

7 (c) rain barrels and alternative rain
8 and moisture collection systems;

9 (d) permeable ground cover surfaces that
10 allow water to reach underground basins, aquifers or water
11 collection points;

12 (e) plant and grass seeds coated with
13 water-saving surfactants; and

14 (f) water-saving surfactants."

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