

HOUSE BILL 179

**54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; EXTENDING THE GROSS RECEIPTS TAX  
DEDUCTION FOR CERTAIN SALES TO ORGANIZATIONS THAT PROVIDE  
HOUSING OPPORTUNITIES TO LOW-INCOME AND MODERATE-INCOME  
FAMILIES.

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

**SECTION 1.** Section 7-9-60 NMSA 1978 (being Laws 1970,  
Chapter 12, Section 4, as amended) is amended to read:

"7-9-60. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL  
GROSS RECEIPTS TAX--SALES TO CERTAIN ORGANIZATIONS.--

A. Except as provided otherwise in Subsection B of  
this section, receipts from selling tangible personal property  
to 501(c)(3) organizations may be deducted from gross receipts  
or from governmental gross receipts if the sale is made to an  
organization that delivers a nontaxable transaction certificate

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underscored material = new  
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underscoring material = new  
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1 to the seller. The buyer delivering the nontaxable transaction  
2 certificate shall employ the tangible personal property in the  
3 conduct of functions described in Section 501(c)(3) and shall  
4 not employ the tangible personal property in the conduct of an  
5 unrelated trade or business as defined in Section 513 of the  
6 United States Internal Revenue Code of 1986, as amended or  
7 renumbered.

8 B. The deduction provided by this section does not  
9 apply to receipts from selling construction material, excluding  
10 tangible personal property, whether removable or non-removable,  
11 that is or would be classified for depreciation purposes as  
12 three-year property, five-year property, seven-year property or  
13 ten-year property, including indirect costs related to the  
14 asset basis, by Section 168 of the Internal Revenue Code of  
15 1986, as that section may be amended or renumbered, or from  
16 selling metalliferous mineral ore; except that receipts from  
17 selling construction material or from selling metalliferous  
18 mineral ore to a 501(c)(3) organization that is organized for  
19 the purpose of providing [~~homeownership~~] housing opportunities  
20 to low-income and moderate-income families may be deducted from  
21 gross receipts. Receipts may be deducted under this subsection  
22 only if the buyer delivers a nontaxable transaction certificate  
23 to the seller. The buyer shall use the property in the conduct  
24 of functions described in Section 501(c)(3) of the Internal  
25 Revenue Code of 1986, as amended, and shall not employ the

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~~[bracketed material] = delete~~

1 tangible personal property in the conduct of an unrelated trade  
2 or business, as defined in Section 513 of that code.

3 C. For the purposes of this section, "501(c)(3)  
4 organization" means an organization that has been granted  
5 exemption from the federal income tax by the United States  
6 commissioner of internal revenue as an organization described  
7 in Section 501(c)(3) of the United States Internal Revenue Code  
8 of 1986, as amended or renumbered."

9 SECTION 2. EFFECTIVE DATE.--The effective date of the  
10 provisions of this act is July 1, 2020.