

FIFTY-FOURTH LEGISLATURE
SECOND SESSION, 2020

SB 184/a

February 14, 2020

Mr. President:

Your **FINANCE COMMITTEE**, to whom has been referred

**SENATE CORPORATIONS AND TRANSPORTATION
COMMITTEE SUBSTITUTE FOR
SENATE BILL 184**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 17, before the period, insert "; PROVIDING THAT THE CREDIT WILL BE CLAIMED AGAINST A TAXPAYER'S STATE AND LOCAL TAX LIABILITIES".

2. On page 4, between lines 17 and 18, insert the following new section:

"SECTION 4. Section 7-9A-8 NMSA 1978 (being Laws 1979, Chapter 347, Section 8, as amended) is amended to read:

"7-9A-8. CLAIMING THE CREDIT FOR CERTAIN TAXES.--

A. A taxpayer shall apply for approval for a credit within one year following the end of the calendar year in which the qualified equipment for the manufacturing operation is purchased or introduced into New Mexico.

B. A taxpayer having applied for and been granted approval for a credit by the department pursuant to the Investment Credit Act may claim an amount of available credit against the taxpayer's ~~[compensating tax, gross receipts tax or withholding tax due to the state of New Mexico]~~ tax liabilities; provided that the credit shall be claimed against the taxpayer's tax liabilities pursuant to the Gross Receipts and Compensating Tax Act, the Municipal Local Option Gross Receipts and Compensating Taxes Act and the County Local Option Gross Receipts and Compensating Taxes Act before being claimed against the taxpayer's tax liabilities pursuant to the

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Withholding Tax Act; provided further that no taxpayer may claim, except as provided in Subsection C of this section, an amount of available credit for any reporting period that exceeds eighty-five percent of the sum of the taxpayer's [~~gross receipts tax, compensating tax and withholding~~] tax [due] liabilities for that reporting period. Any amount of available credit not claimed against the taxpayer's [~~gross receipts tax, compensating tax or withholding~~] tax [due] liabilities for a reporting period may be claimed in subsequent reporting periods.

C. A taxpayer may apply by September 30 of the current calendar year for a refund of the unclaimed balance of the available credit up to a maximum of two hundred fifty thousand dollars (\$250,000) if on January 1 of the current calendar year:

(1) the taxpayer's available credit is less than five hundred thousand dollars (\$500,000); and

(2) the sum of the taxpayer's [~~gross receipts tax, compensating tax and withholding~~] tax [due] liabilities for the previous calendar year was less than thirty-five percent of the taxpayer's available credit but more than ten thousand dollars (\$10,000).

D. As used in this section, "tax liabilities" means any tax liability a taxpayer incurs pursuant to the Withholding Tax Act, the Gross Receipts and Compensating Tax Act, the Municipal Local Option Gross Receipts and Compensating Taxes Act or the County Local Option Gross Receipts and Compensating Taxes Act."

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3. Renumber the succeeding sections accordingly.

Respectfully submitted,

John Arthur Smith, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

No: 0

Excused: Candelaria, Smith

Absent: None

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