

underscored material = new
[bracketed material] = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL

55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022

INTRODUCED BY

Benny Shendo

AN ACT

RELATING TO LOCAL GOVERNMENTS; ALLOWING CERTAIN MUNICIPALITIES TO RETAIN A CERTAIN PERCENTAGE OF THE HOLD HARMLESS DISTRIBUTION TO OFFSET GROSS RECEIPTS DEDUCTIONS FOR FOOD AND HEALTH CARE PRACTITIONER SERVICES; CLARIFYING THAT CERTAIN OTHER MUNICIPALITIES AND COUNTIES ARE EXEMPT FROM THE PHASE-OUT OF THAT DISTRIBUTION IF THEY DID NOT HAVE A HOLD HARMLESS GROSS RECEIPTS TAX IN EFFECT ON JUNE 30, 2019.

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

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

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

A. For a municipality that ~~[has not elected to~~

underscored material = new
[bracketed material] = delete

1 ~~impose]~~ did not have in effect on June 30, 2019 a municipal
2 hold harmless gross receipts tax through an ordinance and that
3 has a population of less than ten thousand according to the
4 most recent federal decennial census, a distribution pursuant
5 to Section 7-1-6.1 NMSA 1978 shall be made to [~~a~~] the
6 municipality in an amount, subject to any increase or decrease
7 made pursuant to Section 7-1-6.15 NMSA 1978, equal to the [sum
8 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 attributable to the municipality multiplied~~
12 ~~by the sum of the combined rate of all municipal local option~~
13 ~~gross receipts taxes in effect in the municipality for the~~
14 ~~month plus one and two hundred twenty-five thousandths percent;~~
15 and

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

23 B. For a municipality that did not have in effect
24 on June 30, 2019 a municipal hold harmless gross receipts tax
25 through an ordinance and has a population of at least ten

.221274.2

underscored material = new
[bracketed material] = delete

1 thousand according to the most recent federal decennial census,
2 a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
3 made to the municipality in an amount, subject to any increase
4 or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal
5 to the following percentages of the applicable maximum
6 distribution for the municipality:

7 (1) for a municipality that has a municipal
8 poverty level two percentage points or more above the state
9 poverty level, eighty percent;

10 (2) for a municipality that has a poverty
11 level of less than two percentage points above or below the
12 state poverty level, fifty percent; and

13 (3) for a municipality that has a poverty
14 level two percentage points or more below the state poverty
15 level:

16 (a) on or after July 1, 2022 and prior
17 to July 1, 2023, forty-nine percent;

18 (b) on or after July 1, 2023 and prior
19 to July 1, 2024, forty-two percent;

20 (c) on or after July 1, 2024 and prior
21 to July 1, 2025, thirty-five percent; and

22 (d) on or after July 1, 2025, thirty
23 percent.

24 ~~[B.]~~ C. For a municipality not described in
25 Subsection A or B of this section, a distribution pursuant to
.221274.2

underscored material = new
[bracketed material] = delete

1 Section 7-1-6.1 NMSA 1978 shall be made to the municipality in
2 an amount, subject to any increase or decrease made pursuant to
3 Section 7-1-6.15 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 attributable to the municipality multiplied~~
7 ~~by the sum of the combined rate of all municipal local option~~
8 ~~gross receipts taxes in effect in the municipality on January~~
9 ~~1, 2007 plus one and two hundred twenty-five thousandths~~
10 ~~percent in the following percentages:~~

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

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

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

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

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

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

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

25 ~~(h) on or after July 1, 2021 and prior~~

.221274.2

underscoring material = new
[bracketed material] = delete

1 ~~to July 1, 2022, fifty-six percent;~~

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

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

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

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

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

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

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

16 ~~(2) the total deductions claimed pursuant to~~
17 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
18 ~~business locations attributable to the municipality multiplied~~
19 ~~by the sum of the combined rate of all municipal local option~~
20 ~~gross receipts taxes in effect in the municipality on January~~
21 ~~1, 2007 plus one and two hundred twenty-five thousandths~~
22 ~~percent in] applicable maximum distribution for the~~
23 ~~municipality multiplied by the following percentages:~~

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

.221274.2

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

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

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

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

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

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

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

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

17 ~~[(j)]~~ (2) on or after July 1, 2023 and prior
18 to July 1, 2024, forty-two percent;

19 ~~[(k)]~~ (3) on or after July 1, 2024 and prior
20 to July 1, 2025, thirty-five percent;

21 ~~[(l)]~~ (4) on or after July 1, 2025 and prior
22 to July 1, 2026, twenty-eight percent;

23 ~~[(m)]~~ (5) on or after July 1, 2026 and prior
24 to July 1, 2027, twenty-one percent;

25 ~~[(n)]~~ (6) on or after July 1, 2027 and prior

underscored material = new
[bracketed material] = delete

1 to July 1, 2028, fourteen percent; ~~and~~
2 ~~(e)~~ (7) on or after July 1, 2028 and prior to
3 July 1, 2029, seven percent; and
4 (8) on and after July 1, 2029, zero percent.

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

18 ~~D.]~~ E. If the ~~[reductions]~~ changes made by this
19 ~~[2013]~~ 2022 act to the distributions made pursuant to
20 ~~[Subsections A and B of]~~ this section impair the ability of a
21 municipality to meet its principal or interest payment
22 obligations for revenue bonds that are outstanding prior to
23 July 1, ~~[2013]~~ 2022 and that are secured by the pledge of all
24 or part of the municipality's revenue from the distribution
25 made pursuant to this section, then the amount distributed

.221274.2

underscored material = new
[bracketed material] = delete

1 pursuant to this section to that municipality shall be
2 increased by an amount sufficient to meet the required payment;
3 provided that the total amount distributed to that municipality
4 pursuant to this section does not exceed the amount that would
5 have been due that municipality pursuant to this section as it
6 was in effect on June 30, [~~2013~~] 2022.

7 [~~E.~~] F. For the purposes of this section:

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

10 [~~(1)~~] (a) within the municipality;

11 [~~(2)~~] (b) on land owned by the state,
12 commonly known as the "state fairgrounds", within the exterior
13 boundaries of the municipality;

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

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

.221274.2

underscored material = new
[bracketed material] = delete

1 secretary;

2 (2) "maximum distribution" means:

3 (a) for a municipality that did not have
4 in effect on June 30, 2019 a municipal hold harmless gross
5 receipts tax, the total deductions claimed pursuant to Sections
6 7-9-92 and 7-9-93 NMSA 1978 for the month by taxpayers from
7 business locations attributable to the municipality multiplied
8 by the sum of the combined rate of all municipal local option
9 gross receipts taxes in effect in the municipality for the
10 month plus one and two hundred twenty-five thousandths percent;
11 and

12 (b) for a municipality not described in
13 Subparagraph (a) of this paragraph, the total deductions
14 claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for
15 the month by taxpayers from business locations attributable to
16 the municipality multiplied by the sum of the combined rate of
17 all municipal local option gross receipts taxes in effect in
18 the municipality on January 1, 2007 plus one and two hundred
19 twenty-five thousandths percent; and

20 (3) "poverty level" means the percentage of
21 persons in poverty, according to the most recent five-year
22 American community survey, as published by the United States
23 census bureau. For the purposes of determining the poverty
24 level of a municipality, "poverty level" means the percentage
25 of persons in poverty in a municipality, according to the most

.221274.2

underscored material = new
[bracketed material] = delete

1 recent five-year American community survey, as published by the
2 United States census bureau, that includes adequate data to
3 make a determination as to the poverty level of the
4 municipality.

5 ~~[F-]~~ G. A distribution pursuant to this section may
6 be adjusted for a distribution made to a tax increment
7 development district with respect to a portion of a gross
8 receipts tax increment dedicated by a municipality pursuant to
9 the Tax Increment for Development Act."

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

12 "7-1-6.47. DISTRIBUTION TO COUNTIES--OFFSET FOR FOOD
13 DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES DEDUCTION.--

14 A. For a county that ~~[has not elected to impose]~~
15 did not have in effect on June 30, 2019 a county hold harmless
16 gross receipts tax through an ordinance and that has a
17 population of less than forty-eight thousand according to the
18 most recent federal decennial census, a distribution pursuant
19 to Section 7-1-6.1 NMSA 1978 shall be made to [a] the county in
20 an amount, subject to any increase or decrease made pursuant to
21 Section 7-1-6.15 NMSA 1978, equal to the ~~[sum of:~~

22 ~~(1) the total deductions claimed pursuant to~~
23 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
24 ~~business locations within a municipality in the county~~
25 ~~multiplied by the combined rate of all county local option~~

.221274.2

underscoring material = new
[bracketed material] = delete

1 ~~gross receipts taxes in effect for the month that are imposed~~
2 ~~throughout the county;~~

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

9 ~~(3) the total deductions claimed pursuant to~~
10 ~~Section 7-9-93 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 for the month that are imposed~~
14 ~~throughout the county; and~~

15 ~~(4) the total deductions claimed pursuant to~~
16 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
17 ~~business locations in the county but not within a municipality~~
18 ~~multiplied by the combined rate of all county local option~~
19 ~~gross receipts taxes in effect for the month that are imposed~~
20 ~~in the county area not within a municipality] applicable~~
21 ~~maximum distribution for the county.~~

22 B. For a county not described in Subsection A of
23 this section, a distribution pursuant to Section 7-1-6.1 NMSA
24 1978 shall be made to the county in an amount, subject to any
25 increase or decrease made pursuant to Section 7-1-6.15 NMSA

.221274.2

underscored material = new
[bracketed material] = delete

1 1978, equal to the ~~[sum of:~~

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

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

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

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

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

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

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

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

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

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

.221274.2

underscored material = new
[bracketed material] = delete

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

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

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

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

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

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

13 ~~(2) the total deductions claimed pursuant to~~
14 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
15 ~~business locations in the county but not within a municipality~~
16 ~~multiplied by the combined rate of all county local option~~
17 ~~gross receipts taxes in effect on January 1, 2007 that are~~
18 ~~imposed in the county area not within a municipality in the~~
19 ~~following percentages:~~

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

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

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

.221274.2

underscoring material = new
[bracketed material] = delete

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

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

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

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

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

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

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

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

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

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

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

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

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

.221274.2

underscored material = new
[bracketed material] = delete

1 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
2 ~~business locations within a municipality in the county~~
3 ~~multiplied by the combined rate of all county local option~~
4 ~~gross receipts taxes in effect on January 1, 2007 that are~~
5 ~~imposed throughout the county in the following percentages:~~

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

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

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

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

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

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

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

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

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

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

.221274.2

underscoring material = new
[bracketed material] = delete

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

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

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

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

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

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

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

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

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

25 ~~(d) on or after July 1, 2017 and prior~~

.221274.2

1 ~~to July 1, 2018, eighty-two percent;~~

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

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

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

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

10 ~~[(i)]~~ (2) on or after July 1, 2022 and prior
11 to July 1, 2023, forty-nine percent;

12 ~~[(j)]~~ (3) on or after July 1, 2023 and prior
13 to July 1, 2024, forty-two percent;

14 ~~[(k)]~~ (4) on or after July 1, 2024 and prior
15 to July 1, 2025, thirty-five percent;

16 ~~[(l)]~~ (5) on or after July 1, 2025 and prior
17 to July 1, 2026, twenty-eight percent;

18 ~~[(m)]~~ (6) on or after July 1, 2026 and prior
19 to July 1, 2027, twenty-one percent;

20 ~~[(n)]~~ (7) on or after July 1, 2027 and prior
21 to July 1, 2028, fourteen percent; ~~and~~

22 ~~[(o)]~~ (8) on or after July 1, 2028 and prior to
23 July 1, 2029, seven percent; and

24 (9) on and after July 1, 2029, zero percent.

25 C. ~~[The]~~ A distribution pursuant to ~~[Subsections A~~

underscored material = new
[bracketed material] = delete

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

12 D. If the [~~reductions~~] changes made by this [2013]
13 2022 act to the distributions made pursuant to [~~Subsections A~~
14 ~~and B of~~] this section impair the ability of a county to meet
15 its principal or interest payment obligations for revenue bonds
16 that are outstanding prior to July 1, [2013] 2022 and that are
17 secured by the pledge of all or part of the county's revenue
18 from the distribution made pursuant to this section, then the
19 amount distributed pursuant to this section to that county
20 shall be increased by an amount sufficient to meet the required
21 payment; provided that the total amount distributed to that
22 county pursuant to this section does not exceed the amount that
23 would have been due that county pursuant to this section as it
24 was in effect on June 30, [2013] 2022.

25 E. A distribution pursuant to this section may be

.221274.2

underscored material = new
[bracketed material] = delete

1 adjusted for a distribution made to a tax increment development
2 district with respect to a portion of a gross receipts tax
3 increment dedicated by a county pursuant to the Tax Increment
4 for Development Act.

5 F. For the purposes of this section, "maximum
6 distribution" means:

7 (1) for a county that did not have in effect
8 on June 30, 2019 a county hold harmless gross receipts tax and
9 that has a population of less than forty-eight thousand
10 according to the most recent federal decennial census, the sum
11 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 for the month that are
17 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 for the
23 month that are imposed in the county area not within a
24 municipality; and

25 (2) for a county not described in Paragraph

.221274.2

underscored material = new
[bracketed material] = delete

1 (1) of this subsection, the sum of:

2 (a) 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 within a municipality in
5 the county multiplied by the combined rate of all county local
6 option gross receipts taxes in effect on January 1, 2007 that
7 are imposed throughout the county; and

8 (b) the total deductions claimed
9 pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for the month
10 by taxpayers from business locations in the county but not
11 within a municipality multiplied by the combined rate of all
12 county local option gross receipts taxes in effect on January
13 1, 2007 that are imposed in the county area not within a
14 municipality."

15 SECTION 3. EFFECTIVE DATE.--The effective date of the
16 provisions of this act is July 1, 2022.