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AN ACT

RELATING TO TAXATION; REMOVING A REQUIREMENT THAT A TRIBE'S TAX MUST BE NOT GREATER THAN THE STATE'S GROSS RECEIPTS TAX RATE AND LOCAL OPTION GROSS RECEIPTS TAX RATES TO BE CREDITED AGAINST GROSS RECEIPTS TAX DUE PURSUANT TO THE GROSS RECEIPTS AND COMPENSATING TAX ACT.

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

SECTION 1. Section 7-9-88.1 NMSA 1978 (being Laws 1999, Chapter 223, Section 2, as amended) is amended to read:

"7-9-88.1. CREDIT--GROSS RECEIPTS TAX--TAX PAID TO CERTAIN TRIBES.--

A. If on a taxable transaction taking place on tribal land a qualifying gross receipts, sales or similar tax has been levied by the tribe, the amount of the tribe's tax may be credited against gross receipts tax due this state or its political subdivisions pursuant to the Gross Receipts and Compensating Tax Act and a local option gross receipts tax on the same transaction. The amount of the credit shall be equal to the lesser of seventy-five percent of the tax imposed by the tribe on the receipts from the transaction or seventy-five percent of the revenue produced by the sum of the rate of tax imposed pursuant to the Gross Receipts and Compensating Tax Act and the total of the rates of local option gross receipts taxes imposed on the receipts from the

1 same transaction. Notwithstanding any other provision of law
2 to the contrary, the amount of credit taken and allowed shall
3 be applied proportionately against the amount of the gross
4 receipts tax and local option gross receipts taxes and
5 against the amount of distribution of those taxes pursuant to
6 Section 7-1-6.1 NMSA 1978.

7 B. A qualifying gross receipts, sales or similar
8 tax levied by the tribe shall be limited to a tax that:

9 (1) is substantially similar to the gross
10 receipts tax imposed by the Gross Receipts and Compensating
11 Tax Act;

12 (2) does not unlawfully discriminate among
13 persons or transactions based on membership in the tribe;

14 (3) provides a credit against the tribe's
15 tax equal to the lesser of twenty-five percent of the tax
16 imposed by the tribe on the receipts from the transactions or
17 twenty-five percent of the tax revenue produced by the sum of
18 the rate of tax imposed pursuant to the Gross Receipts and
19 Compensating Tax Act and the total of the rates of the local
20 option gross receipts taxes imposed on the receipts from the
21 same transactions; and

22 (4) is subject to a cooperative agreement
23 between the tribe and the secretary entered into pursuant to
24 Section 9-11-12.1 NMSA 1978 and in effect at the time of the
25 taxable transaction.

1 C. For purposes of the tax credit allowed by this
2 section:

3 (1) "pueblo" means the Pueblo of Acoma,
4 Cochiti, Isleta, Jemez, Laguna, Nambe, Picuris, Pojoaque,
5 Sandia, San Felipe, San Ildefonso, San Juan, Santa Ana, Santa
6 Clara, Santo Domingo, Taos, Tesuque, Zia or Zuni or the
7 nineteen New Mexico pueblos acting collectively;

8 (2) "tribal land" means all land that is
9 owned by a tribe located within the exterior boundaries of a
10 tribe's reservation or grant and all land held by the United
11 States in trust for that tribe; and

12 (3) "tribe" means a pueblo, the Jicarilla
13 Apache Nation or the Mescalero Apache Tribe."

14 SECTION 2. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2022. _____

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