

FIFTY-SIXTH LEGISLATURE
FIRST SESSION, 2023

SB 12/a

February 16, 2023

Mr. President:

Your **TAX, BUSINESS AND TRANSPORTATION COMMITTEE**, to whom has been referred

SENATE BILL 12

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

1. On page 14, line 22, strike "division" and insert in lieu thereof "taxation and revenue department".

2. On page 15, line 16, before the semicolon, insert "by the taxation and revenue department" and on line 17, after "documentation", insert "to the taxation and revenue department".

3. On page 27, line 1, before "screenwriters", insert "producers,".

4. On pages 27 through 29, strike Section 6 in its entirety and insert in lieu thereof the following new section:

"SECTION 6. Section 7-2F-14 NMSA 1978 (being Laws 2019, Chapter 87, Section 8) is amended to read:

"7-2F-14. ADDITIONAL AMOUNTS TO BE APPLIED IN CALCULATING CREDIT AMOUNTS--EXPENDITURES MADE IN CERTAIN AREAS OF THE STATE--TELEVISION PILOTS AND SERIES.--

A. Except as provided in Subsection C of this section, in addition to the percentage of direct production expenditures and postproduction expenditures calculated pursuant to Section [~~7 of this 2019 act~~] 7-2F-13 NMSA 1978, for a New Mexico film partner, an additional:

(1) five percent shall be applied for payments for direct production expenditures and postproduction expenditures:

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~~[(1) for work, services or items provided on location for a production of a film or commercial audiovisual product that is located in New Mexico but at least sixty miles outside of the exterior boundaries of certain counties; and~~

~~(2) for either of the following]~~

(a) on a standalone pilot intended for series television in New Mexico or on series television productions intended for commercial distribution with an order for at least six episodes in a single season; provided that the New Mexico budget for each of those six episodes is fifty thousand dollars (\$50,000) or more; ~~[or]~~

(b) on a production in a qualified production facility; and

(c) for a television series with a New Mexico budget of greater than fifteen million dollars (\$15,000,000) per episode, for a minimum of six episodes; and

(2) ten percent shall be applied for payments for direct production expenditures and postproduction expenditures for work, services or items provided on location for a production of a film or commercial audiovisual product that is located in New Mexico but at least sixty miles outside of the exterior boundaries of certain counties.

B. Except as provided in Subsection C of this section, in addition to the percentage of direct production expenditures and postproduction expenditures calculated pursuant to Section 7-2F-13 NMSA 1978, for a film production company that is not a New Mexico film partner, an additional:

(1) five percent shall be applied for payments for direct production expenditures and postproduction expenditures:

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(a) on a standalone pilot intended for series television in New Mexico or on series television productions intended for commercial distribution with an order for at least six episodes in a single season; provided that the New Mexico budget for each of those six episodes is fifty thousand dollars (\$50,000) or more; or

(b) on a production in a qualified production facility for the days the facility is used for production; and

(2) ten percent shall be applied for payments for direct production expenditures and postproduction expenditures for work, services or items provided on location for a production of a film or commercial audiovisual product that is located in New Mexico but at least sixty miles outside of the exterior boundaries of certain counties.

C. The maximum percentage of direct production expenditures and postproduction expenditures calculated pursuant to Section 7-2F-13 NMSA 1978 and this section shall not exceed forty percent.

~~[B.]~~ D. As used in this section, "certain counties" includes counties with a net taxable value of property for property taxation purposes of greater than [six billion dollars (\$6,000,000,000)] seven billion five hundred million dollars (\$7,500,000,000)."

5. On page 30, strike lines 7 through 10 in their entirety and insert in lieu thereof the following new subsection:

"C. the total amount of wages applied toward the additional credit allowed pursuant to this section may be up to one hundred percent of the amount of wages of resident below-the-line wages claimed; provided that the film production company provides a seventy-two-hour notice of the opportunity to be hired to resident below-the-line crew, which may be through a collective bargaining

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unit that represents resident below-the-line crew; and".,
and thence referred to the **FINANCE COMMITTEE**.

Respectfully submitted,

Senator Benny Shendo Jr., Chairman

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

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

No: 0

Excused: Hamblen, Lopez

Absent: None

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