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HOUSE BILL 159

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Martin R. Zamora

AN ACT

RELATING TO GAMING; REMOVING ALLOWABLE GAMING EXPENSES FROM THE NET TAKE CALCULATION FOR NONPROFIT GAMING OPERATOR LICENSEES; RESCINDING THE JULY 1, 2027 REPEAL AND REENACTMENT OF SECTION 60-2E-47 NMSA 1978 (BEING LAWS 1997, CHAPTER 190, SECTION 49, AS AMENDED BY LAWS 2023, CHAPTER 122, SECTION 1 AND BY LAWS 2023, CHAPTER 154, SECTION 2) BY REPEALING LAWS 2023, CHAPTER 122, SECTIONS 2 AND 4.

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

SECTION 1. Section 60-2E-47 NMSA 1978 (being Laws 1997, Chapter 190, Section 49, as amended by Laws 2023, Chapter 122, Section 1 and by Laws 2023, Chapter 154, Section 2) is amended to read:

"60-2E-47. GAMING TAX--IMPOSITION--ADMINISTRATION.--

A. An excise tax is imposed on the privilege of

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1 engaging in gaming activities in the state. This tax shall be
2 known as the "gaming tax".

3 B. The gaming tax is an amount equal to ten percent
4 of the gross receipts of manufacturer licensees from the sale,
5 lease or other transfer of gaming devices in or into the state,
6 except receipts of a manufacturer from the sale, lease or other
7 transfer to a licensed distributor for subsequent sale or lease
8 may be excluded from gross receipts; ten percent of the gross
9 receipts of distributor licensees from the sale, lease or other
10 transfer of gaming devices in or into the state; ten percent of
11 the net take of a gaming operator licensee that is a nonprofit
12 organization; and twenty-four and eight-tenths percent of the
13 net take of every other gaming operator licensee. For the
14 purposes of this section, "gross receipts" means the total
15 amount of money or the value of other consideration received
16 from selling, leasing or otherwise transferring gaming devices.

17 C. The gaming tax imposed on a licensee is in lieu
18 of all state and local gross receipts taxes on that portion of
19 the licensee's gross receipts attributable to gaming
20 activities.

21 D. The gaming tax is to be paid on or before the
22 fifteenth day of the month following the month in which the
23 taxable event occurs. The gaming tax shall be administered and
24 collected by the taxation and revenue department in cooperation
25 with the board. The provisions of the Tax Administration Act

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1 apply to the collection and administration of the tax.

2 E. In addition to the gaming tax, a gaming operator
3 licensee that is a racetrack shall pay:

4 (1) twenty percent of its net take solely to
5 purses in accordance with rules adopted by the state racing
6 commission; and

7 (2) one and two-tenths percent of its net take
8 solely to offset the costs of jockey and exercise rider
9 insurance and to comply with federal and state laws affecting
10 horse racing.

11 F. An amount not to exceed twenty percent of the
12 interest earned on the balance of any fund consisting of money
13 for purses distributed by racetrack gaming operator licensees
14 pursuant to this subsection may be expended for the costs of
15 administering the distributions. The state racing commission
16 is responsible for regulatory oversight of funds withdrawn for
17 exercise rider and jockey insurance and compliance with federal
18 and state laws affecting horse racing. The state racing
19 commission is also responsible for regulatory oversight of the
20 twenty percent and one and two-tenths percent fees funding from
21 gaming. A racetrack gaming operator licensee shall spend no
22 less than one-fourth percent of the net take of its gaming
23 machines to fund or support programs for the treatment and
24 assistance of compulsive gamblers.

25 G. A nonprofit gaming operator licensee shall

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1 distribute at least twenty percent of the balance of its net
2 take, after payment of the gaming tax and any income taxes [~~and~~
3 ~~allowable gaming expenses~~], for charitable or educational
4 purposes."

5 SECTION 2. REPEAL.--Laws 2023, Chapter 122, Sections 2
6 and 4 are repealed.

7 SECTION 3. EFFECTIVE DATE.--The effective date of the
8 provisions of this act is July 1, 2024.

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