SENATE BILL 174

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION

FOR THE SALE OF LEGAL SERVICES TO RECOVER COMPENSATION PURSUANT

TO THE FEDERAL HERMIT'S PEAK/CALF CANYON FIRE ASSISTANCE ACT.

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

SECTION 1. A new section of the Gross Receipts and

Compensating Tax Act is enacted to read:

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--LEGAL SERVICES

TO RECOVER COMPENSATION FROM THE FEDERAL HERMIT'S PEAK/CALF

CANYON FIRE ASSISTANCE ACT.--

          A. Gross receipts from the sale of legal services

rendered to and at the request of a person eligible to receive

compensation pursuant to the federal Hermit's Peak/Calf Canyon

Fire Assistance Act may be deducted from gross receipts;

provided that the legal services are directly related to

1   recovering the compensation.

2   B.   As used in this section, "legal services" means

3   services performed by a licensed attorney or under the

4   supervision of a licensed attorney for a client, regardless of

5   the attorney's form of business entity or whether the services

6   are prepaid, including legal representation before courts or

7   administrative agencies; drafting legal documents, such as

8   contracts or patent applications; legal research; advising and

9   counseling; arbitration; mediation; and notary public and other

10   ancillary legal services performed for a client in conjunction

11   with and under the supervision of a licensed attorney. "Legal

12   services" does not include lobbying or government relations

13   services, title insurance agent services, licensing or selling

14   legal software or legal document templates, insurance

15   investigation services or any legal representation involving

16   financial crimes or tax evasion in New Mexico."

17   SECTION 2.   EFFECTIVE DATE.--The effective date of the

18   provisions of this act is July 1, 2024.

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