

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 410

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

ROMAN M MAES

AN ACT

RELATING TO TAXATION; PROVIDING DEDUCTIONS FROM GROSS RECEIPTS FOR CONSTRUCTION SERVICES AND MATERIALS, MANUFACTURING EQUIPMENT AND INSTALLATION SERVICES.

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 TAX-- MANUFACTURING OPERATIONS-- CONSTRUCTION AND INSTALLATION SERVICES-- NEW EQUIPMENT SALES-- DEFINITIONS. --

A. Receipts from the sale of construction services may be deducted from gross receipts if:

- (1) the service provided is to construct or expand facilities for a manufacturing operation; and
- (2) the construction service is sold to a

Underscored material = new
[bracketed material] = delete

1 person who delivers a nontaxable transaction certificate to the
2 person performing the construction service.

3 B. Receipts from the sale of construction materials
4 purchased for use to expand an existing or construct a new
5 manufacturing operation located in New Mexico may be deducted
6 from gross receipts if the materials are purchased for a person
7 who delivers a nontaxable transaction certificate to the person
8 selling the materials.

9 C. Receipts from the sale of equipment purchased for
10 use in a new or expanded manufacturing operation located in New
11 Mexico may be deducted from gross receipts if the equipment is
12 purchased for a person who delivers a nontaxable transaction
13 certificate to the person selling the equipment.

14 D. Receipts from the sale of installation services
15 necessary to install equipment in a new or expanded
16 manufacturing operation located in New Mexico may be deducted
17 from gross receipts if the installation service is sold to a
18 person who delivers a nontaxable transaction certificate to the
19 person performing the installation services.

20 E. As used in this section:

21 (1) "construction service" means a service
22 necessary to construct or expand a manufacturing operation;

23 (2) "installation service" means a service
24 required to install and make operational equipment necessary to
25 conduct a manufacturing operation; and

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

(3) "manufacturing operation" means a plant, including a genetic testing and production facility, employing personnel to perform production or assembly tasks to produce goods.

F. Election by a taxpayer to deliver the nontaxable transaction certificate necessary to support a deduction from gross receipts pursuant to the provisions of this section shall preclude availability to that taxpayer of the investment tax credit that would be available on the same equipment pursuant to the provisions of Chapter 7, Article 9A NMSA 1978. "

Section 2. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 1996.

1 FORTY- SECOND LEGISLATURE

2 SECOND SESSION, 1996

3
4
5
6 FEBRUARY 4, 1996

7
8 Mr. President:

9
10 Your COMMITTEES' COMMITTEE, to whom has been referred

11
12 SENATE BILL 410

13
14
15 has had it under consideration and finds same to be GERMANE, PURSUANT
16 TO CONSTITUTIONAL PROVISIONS, and thence referred to the WAYS AND
17 MEANS COMMITTEE.

18
19 Respectfully submitted,

20
21
22
23
24
25 _____
SENATOR MANNY M. ARAGON, Chairman

Underscored material = new
~~[bracketed material] = delete~~

Adopted _____ Not Adopted _____

- 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

(Chief Clerk)

(Chief Clerk)

Date _____

S0410CC1

3
4
5 February 7, 1996

6 Mr. President:

7
8 Your WAYS AND MEANS COMMITTEE, to whom has been referred

9
10
11 SENATE BILL 410

12
13 has had it under consideration and reports same with recommendation that
14 it DO PASS, amended as follows:

15
16 1. On page 1, line 13, before the period insert "; DECLARING AN
17 EMERGENCY".

18
19 2. On page 3, line 1, strike the comma, and on line 2, strike
20 "including a genetic testing and production facility,".

21
22 3. On page 3, strike lines 11 and 12, and insert in lieu thereof
23 the following section:

24 "Section 2. EMERGENCY.--It is necessary for the public peace,
25 health and safety that this act take effect immediately.".,

Underscored material = new
[bracketed material] = delete

**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

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

SWMC/SB 410

Page 8

and thence referred to the FINANCE COMMITTEE.

Respectfully submitted,

TITO D. CHAVEZ, Chairman

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

Date _____

Underscored material = new
[bracketed material] = delete

**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

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

SWMC/SB 410

Page 9

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Campos, Jennings, Riley

Absent: None

S0410WMI

. 111901. 1

. 109815. 1

Underscored material = new
~~[bracketed material] = delete~~

**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

SWMC/SB 410

Page 10

**FORTY- SECOND LEGI SLATURE
SECOND SESSI ON, 1996**

February 9, 1996

Mr. Presi dent:

Your FINANCE COMMI TTEE, to whom has been referred

SENATE BILL 410, as amended

has had it under consideration and reports same with recommendation that
it DO PASS.

Respectfully submitted,

**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

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

SWMC/SB 410

Page 11

Ben D. Altamirano, Chairman

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

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

No: 0

Excused: Donisthorpe, Duran, Ingle, Kidd, Kysar

Absent: None

S0410FC1