

HOUSE BILL 245

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; CLARIFYING THE DEFINITION IN LAW OF
"CONSTRUCTION MATERIAL", AS USED IN THE GROSS RECEIPTS AND
COMPENSATING TAX ACT; DECLARING AN EMERGENCY.

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

SECTION 1. Section 7-9-3.4 NMSA 1978 (being Laws 2003,
Chapter 272, Section 5) is amended to read:

"7-9-3.4. DEFINITIONS--CONSTRUCTION AND CONSTRUCTION
MATERIALS.--As used in the Gross Receipts and Compensating Tax
Act:

A. "construction" means:

(1) the building, altering, repairing or
demolishing in the ordinary course of business any:

(a) road, highway, bridge, parking area
or related project;

.209960.1

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

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

- 1 (b) building, stadium or other
- 2 structure;
- 3 (c) airport, subway or similar facility;
- 4 (d) park, trail, athletic field, golf
- 5 course or similar facility;
- 6 (e) dam, reservoir, canal, ditch or
- 7 similar facility;
- 8 (f) sewerage or water treatment
- 9 facility, power generating plant, pump station, natural gas
- 10 compressing station, gas processing plant, coal gasification
- 11 plant, refinery, distillery or similar facility;
- 12 (g) sewerage, water, gas or other
- 13 pipeline;
- 14 (h) transmission line;
- 15 (i) radio, television or other tower;
- 16 (j) water, oil or other storage tank;
- 17 (k) shaft, tunnel or other mining
- 18 appurtenance;
- 19 (l) microwave station or similar
- 20 facility;
- 21 (m) retaining wall, wall, fence, gate or
- 22 similar structure; or
- 23 (n) similar work;
- 24 (2) the leveling or clearing of land;
- 25 (3) the excavating of earth;

.209960.1

underscoring material = new
[bracketed material] = delete

1 (4) the drilling of wells of any type,
2 including seismograph shot holes or core drilling; or

3 (5) similar work; and

4 B. "construction material":

5 (1) means tangible personal property that
6 becomes or is intended to become an ingredient or component
7 part of a construction project; [~~but "construction material"~~]
8 and

9 (2) does not include tangible personal
10 property, whether removable or non-removable, that:

11 (a) is a replacement fixture when the
12 replacement is not construction; [~~or~~]

13 (b) is a replacement part for a fixture;
14 or

15 (c) would be classified for depreciation
16 purposes as three-year property, five-year property, seven-year
17 property or ten-year property, including indirect costs related
18 to the asset basis, by Section 168 of the Internal Revenue Code
19 of 1986, as that section may be amended or renumbered."

20 SECTION 2. EMERGENCY.--It is necessary for the public
21 peace, health and safety that this act take effect immediately.

