

1 HOUSE BILL 584

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 George Dodge, Jr.

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS  
12 PAID FOR SPECIAL FUEL THAT IS DYED.

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

15 SECTION 1. A new section of the Gross Receipts and  
16 Compensating Tax Act is enacted to read:

17 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--SPECIAL FUEL--  
18 DYED.--

19 A. Receipts from selling special fuel dyed  
20 according to federal regulations may be deducted from gross  
21 receipts if the deduction from the special fuel excise tax  
22 pursuant to Section 7-16A-10 NMSA 1978 is claimed.

23 B. The purpose of the deduction provided in this  
24 section is to encourage agricultural businesses to locate in  
25 New Mexico and to reduce the tax burden, including reducing

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1 pyramiding, on the dyed special fuel that is primarily used in  
2 agriculture, where it is used as a fuel for irrigation pumps to  
3 produce crops that will ultimately be subject to gross receipts  
4 tax.

5 C. The department shall annually report to the  
6 revenue stabilization and tax policy committee the aggregate  
7 amount of deductions taken pursuant to this section, the number  
8 of taxpayers claiming the deduction and any other information  
9 that is necessary to determine that the deduction is performing  
10 the purpose for which it is enacted.

11 D. A taxpayer deducting gross receipts pursuant to  
12 this section shall report the amount deducted separately for  
13 the deduction provided in this section and attribute the amount  
14 of the deduction to the appropriate authorization provided in  
15 this section in a manner required by the department that  
16 facilitates the evaluation by the legislature of the benefit to  
17 the state of the deduction."

18 SECTION 2. EFFECTIVE DATE.--The effective date of the  
19 provisions of this act is July 1, 2013.