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SENATE BILL 128

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

INTRODUCED BY

Carlos R. Cisneros

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO TAXATION; AUTHORIZING CERTAIN TAX RETURN
INFORMATION TO BE REVEALED TO THE ECONOMISTS OF THE DEPARTMENT
OF FINANCE AND ADMINISTRATION AND THE LEGISLATIVE FINANCE
COMMITTEE FOR THE PURPOSE OF TRACKING, FORECASTING AND
ANALYZING TAX REVENUE; REQUIRING SEPARATE REPORTING FOR CERTAIN
DEDUCTIONS AND CREDITS; PROVIDING THAT CLAIMS FOR CERTAIN
ECONOMIC DEVELOPMENT INCENTIVES ARE AUTHORIZATION TO REVEAL THE
IDENTITY OF THE TAXPAYER AND THE AMOUNT OF INCENTIVE ALLOWED;
EXCLUDING CERTAIN ENTITIES FROM A GROSS RECEIPTS TAX EXEMPTION
FOR NONPROFIT ORGANIZATIONS; NARROWING THE PREMIUM TAX IN LIEU
PROVISION; AMENDING AND REPEALING SECTIONS OF THE NMSA 1978.

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

SECTION 1. Section 7-1-8.8 NMSA 1978 (being Laws 2009,
Chapter 243, Section 10, as amended) is amended to read:

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1 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER STATE
2 AGENCIES.--An employee of the department may reveal to:

3 A. a committee of the legislature for a valid
4 legislative purpose, return information concerning any tax or
5 fee imposed pursuant to the Cigarette Tax Act;

6 B. the attorney general, return information
7 acquired pursuant to the Cigarette Tax Act for purposes of
8 Section 6-4-13 NMSA 1978 and the master settlement agreement
9 defined in Section 6-4-12 NMSA 1978;

10 C. the commissioner of public lands, return
11 information for use in auditing that pertains to rentals,
12 royalties, fees and other payments due the state under land
13 sale, land lease or other land use contracts;

14 D. the secretary of human services or the
15 secretary's delegate under a written agreement with the
16 department, the last known address with date of all names
17 certified to the department as being absent parents of children
18 receiving public financial assistance, but only for the purpose
19 of enforcing the support liability of the absent parents by the
20 child support enforcement division or any successor
21 organizational unit;

22 E. the department of information technology, by
23 electronic media, a database updated quarterly that contains
24 the names, addresses, county of address and taxpayer
25 identification numbers of New Mexico personal income tax

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1 filers, but only for the purpose of producing the random jury
2 list for the selection of petit or grand jurors for the state
3 courts pursuant to Section 38-5-3 NMSA 1978;

4 F. the state courts, the random jury lists produced
5 by the department of information technology under Subsection E
6 of this section;

7 G. the director of the New Mexico department of
8 agriculture or the director's authorized representative, upon
9 request of the director or representative, the names and
10 addresses of all gasoline or special fuel distributors,
11 wholesalers and retailers;

12 H. the public regulation commission, return
13 information with respect to the Corporate Income and Franchise
14 Tax Act required to enable the commission to carry out its
15 duties;

16 I. the state racing commission, return information
17 with respect to the state, municipal and county gross receipts
18 taxes paid by racetracks;

19 J. the gaming control board, tax returns of license
20 applicants and their affiliates as provided in Subsection E of
21 Section 60-2E-14 NMSA 1978;

22 K. the director of the workers' compensation
23 administration or to the director's representatives authorized
24 for this purpose, return information to facilitate the
25 identification of taxpayers that are delinquent or noncompliant

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1 in payment of fees required by Section 52-1-9.1 or 52-5-19 NMSA
2 1978;

3 L. the secretary of workforce solutions or the
4 secretary's delegate, return information for use in enforcement
5 of unemployment insurance collections pursuant to the terms of
6 a written reciprocal agreement entered into by the department
7 with the secretary of workforce solutions for exchange of
8 information;

9 M. the New Mexico finance authority, information
10 with respect to the amount of municipal and county gross
11 receipts taxes collected by municipalities and counties
12 pursuant to any local option municipal or county gross receipts
13 taxes imposed, and information with respect to the amount of
14 governmental gross receipts taxes paid by every agency,
15 institution, instrumentality or political subdivision of the
16 state pursuant to Section 7-9-4.3 NMSA 1978; ~~[and]~~

17 N. the secretary of human services or the
18 secretary's delegate; provided that a person who receives the
19 confidential return information on behalf of the human services
20 department shall not reveal the information and shall be
21 subject to the penalties in Section 7-1-76 NMSA 1978 if the
22 person fails to maintain the confidentiality required:

23 (1) that return information needed for reports
24 required to be made to the federal government concerning the
25 use of federal funds for low-income working families; and

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1 (2) the names and addresses of low-income
2 taxpayers for the limited purpose of outreach to those
3 taxpayers; provided that the human services department shall
4 pay the department for expenses incurred by the department to
5 derive the information requested by the human services
6 department if the information requested is not readily
7 available in reports for which the department's information
8 systems are programmed; and

9 0. an economist of the department of finance and
10 administration and an economist of the legislative finance
11 committee, upon written request of the economist, return
12 information for the purpose of tracking, forecasting and
13 analyzing tax revenue, including return information related to
14 deductions and tax credits provided by law; provided that an
15 economist who receives the return information shall not reveal
16 the information to an unauthorized person and shall be subject
17 to the penalties in Section 7-1-76 NMSA 1978 if the economist
18 fails to maintain the confidentiality required."

19 SECTION 2. Section 7-2E-1.1 NMSA 1978 (being Laws 2007,
20 Chapter 172, Section 2, as amended) is amended to read:

21 "7-2E-1.1. TAX CREDIT--RURAL JOB TAX CREDIT.--

22 A. The tax credit created by this section may be
23 referred to as the "rural job tax credit". Every eligible
24 employer may apply for, and the taxation and revenue department
25 may allow, a tax credit for each qualifying job the employer

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1 creates. The maximum tax credit amount with respect to each
2 qualifying job is equal to:

3 (1) twenty-five percent of the first sixteen
4 thousand dollars (\$16,000) in wages paid for the qualifying job
5 if the job is performed or based at a location in a tier one
6 area; or

7 (2) twelve and one-half percent of the first
8 sixteen thousand dollars (\$16,000) in wages paid if the
9 qualifying job is performed or based at a location in a tier
10 two area.

11 B. The purpose of the rural job tax credit is to
12 encourage businesses to start new businesses in rural areas of
13 the state.

14 C. The amount of the rural job tax credit shall be
15 six and one-fourth percent of the first sixteen thousand
16 dollars (\$16,000) in wages paid for the qualifying job in a
17 qualifying period. The rural job tax credit may be claimed for
18 each qualifying job for a maximum of:

19 (1) four qualifying periods for each
20 qualifying job performed or based at a location in a tier one
21 area; and

22 (2) two qualifying periods for each qualifying
23 job performed or based at a location in a tier two area.

24 D. With respect to each qualifying job for which an
25 eligible employer seeks the rural job tax credit, the employer

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1 shall certify the amount of wages paid to each eligible
2 employee during each qualifying period, the number of weeks
3 during the qualifying period the position was occupied and
4 whether the qualifying job was in a tier one or tier two area.

5 E. The economic development department shall
6 determine which employers are eligible employers and shall
7 report the listing of eligible businesses to the taxation and
8 revenue department in a manner and at times the departments
9 shall agree upon.

10 F. To receive a rural job tax credit with respect
11 to any qualifying period, an eligible employer [~~must~~] shall
12 apply to the taxation and revenue department on forms and in
13 the manner the department may prescribe. The application shall
14 include a certification made pursuant to Subsection D of this
15 section. If all the requirements of this section have been
16 complied with, the taxation and revenue department may issue to
17 the applicant a document granting a tax credit for the
18 appropriate qualifying period. The tax credit document shall
19 be numbered for identification and declare its date of issuance
20 and the amount of rural job tax credit allowed for the
21 respective jobs created. The tax credit documents may be sold,
22 exchanged or otherwise transferred and may be carried forward
23 for a period of three years from the date of issuance. The
24 parties to such a transaction to sell, exchange or transfer a
25 rural job tax credit document shall notify the department of

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1 the transaction within ten days of the sale, exchange or
2 transfer.

3 G. The holder of the tax credit document may apply
4 all or a portion of the rural job tax credit granted by the
5 document against the holder's modified combined tax liability,
6 personal income tax liability or corporate income tax
7 liability. Any balance of rural job tax credit granted by the
8 document may be carried forward for up to three years from the
9 date of issuance of the tax credit document. No amount of
10 rural job tax credit [~~may~~] shall be applied against a gross
11 receipts tax imposed by a municipality or county.

12 H. Notwithstanding the provisions of Section 7-1-8
13 NMSA 1978, the taxation and revenue department may disclose to
14 any person the balance of rural job tax credit remaining on any
15 tax credit document and the balance of credit remaining on that
16 document for any period.

17 I. A claim for the tax credit provided by this
18 section is authorization by the taxpayer to reveal the identity
19 of the taxpayer and the amount of the tax credit allowed by the
20 department.

21 J. A taxpayer allowed a tax credit pursuant to this
22 section shall report the amount of the tax credit separately in
23 a manner required by the department.

24 [~~I.~~] K. The [~~secretary of~~] economic development
25 department, the [~~secretary of~~] taxation and revenue department

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1 and the [~~secretary of~~] workforce solutions [~~or their designees~~]
2 department shall annually evaluate the effectiveness of the
3 rural job tax credit in stimulating economic development in the
4 rural areas of New Mexico and make a joint report of their
5 findings to each session of the legislature so long as the
6 rural job tax credit is in effect. Those departments shall
7 compile an annual report on the tax credit provided by this
8 section that shall include the number of taxpayers that claimed
9 the rural job tax credit, the aggregate amount of credits
10 allowed and any other information necessary to evaluate the tax
11 credit. The departments shall present the report to the
12 revenue stabilization and tax policy committee and the
13 legislative finance committee with an analysis of the cost and
14 whether the tax credit is performing the purpose for which it
15 was enacted.

16 [~~J.~~] L. An eligible employer that creates a
17 qualifying job in the period beginning on or after July 1, 2006
18 but before July 1, 2007 or creates a qualifying job, the
19 qualifying period of which includes a part of the period
20 between July 1, 2006 and July 1, 2007, for which the eligible
21 employer has not received a rural job tax credit document
22 pursuant to this section may submit an application for, and the
23 taxation and revenue department may issue to the eligible
24 employer applying, a document granting a tax credit for the
25 appropriate qualifying period. Claims for a rural job tax

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1 credit submitted pursuant to the provisions of this subsection
2 shall be submitted within three years from the date of issuance
3 of the rural job tax credit document.

4 ~~[K-]~~ M. A qualifying job shall not be eligible for
5 a rural job credit pursuant to this section if:

6 (1) the job is created due to a business
7 merger, acquisition or other change in organization;

8 (2) the eligible employee was terminated from
9 employment in New Mexico by another employer involved in the
10 merger, acquisition or other change in organization; and

11 (3) the job is performed by:

12 (a) the person who performed the job or
13 its functional equivalent prior to the business merger,
14 acquisition or other change in organization; or

15 (b) a person replacing the person who
16 performed the job or its functional equivalent prior to the
17 business merger, acquisition or other change in organization.

18 ~~[L-]~~ N. Notwithstanding Subsection ~~[K]~~ M of this
19 section, a qualifying job that was created by another employer
20 and for which the rural job tax credit claim was received by
21 the taxation and revenue department prior to July 1, 2013 and
22 is under review or has been approved shall remain eligible for
23 the rural job tax credit for the balance of the qualifying
24 periods for which the job qualifies by the new employer that
25 results from a business merger, acquisition or other change in

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1 the organization.

2 [M-] O. A job shall not be eligible for a rural job
3 tax credit pursuant to this section if the job is created due
4 to an eligible employer entering into a contract or becoming a
5 subcontractor to a contract with a governmental entity that
6 replaces one or more entities performing functionally
7 equivalent services for the governmental entity in New Mexico
8 unless the job is a qualifying job that was not being performed
9 by an employee of the replaced entity.

10 [N-] P. As used in this section:

11 (1) "eligible employee" means any individual
12 other than an individual who:

13 (a) bears any of the relationships
14 described in Paragraphs (1) through (8) of 26 U.S.C. Section
15 152(a) to the employer or, if the employer is a corporation, to
16 an individual who owns, directly or indirectly, more than fifty
17 percent in value of the outstanding stock of the corporation
18 or, if the employer is an entity other than a corporation, to
19 any individual who owns, directly or indirectly, more than
20 fifty percent of the capital and profits interests in the
21 entity;

22 (b) if the employer is an estate or
23 trust, is a grantor, beneficiary or fiduciary of the estate or
24 trust or is an individual who bears any of the relationships
25 described in Paragraphs (1) through (8) of 26 U.S.C. Section

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1 152(a) to a grantor, beneficiary or fiduciary of the estate or
2 trust; or

3 (c) is a dependent, as that term is
4 described in 26 U.S.C. Section 152(a)(9), of the employer or,
5 if the taxpayer is a corporation, of an individual who owns,
6 directly or indirectly, more than fifty percent in value of the
7 outstanding stock of the corporation or, if the employer is an
8 entity other than a corporation, of any individual who owns,
9 directly or indirectly, more than fifty percent of the capital
10 and profits interests in the entity or, if the employer is an
11 estate or trust, of a grantor, beneficiary or fiduciary of the
12 estate or trust;

13 (2) "eligible employer" means an employer who
14 is eligible for in-plant training assistance pursuant to
15 Section 21-19-7 NMSA 1978;

16 (3) "metropolitan statistical area" means a
17 metropolitan statistical area in New Mexico as determined by
18 the United States [~~bureau of the~~] census bureau;

19 (4) "modified combined tax liability" means
20 the total liability for the reporting period for the gross
21 receipts tax imposed by Section 7-9-4 NMSA 1978 together with
22 any tax collected at the same time and in the same manner as
23 that gross receipts tax, such as the compensating tax, the
24 withholding tax, the interstate telecommunications gross
25 receipts tax, the surcharges imposed by Section 63-9D-5 NMSA

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1 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978,
2 minus the amount of any credit other than the rural job tax
3 credit applied against any or all of these taxes or surcharges;
4 but "modified combined tax liability" excludes all amounts
5 collected with respect to local option gross receipts taxes;

6 (5) "qualifying job" means a job established
7 by the employer that is occupied by an eligible employee for at
8 least forty-eight weeks of a qualifying period;

9 (6) "qualifying period" means the period of
10 twelve months beginning on the day an eligible employee begins
11 working in a qualifying job or the period of twelve months
12 beginning on the anniversary of the day an eligible employee
13 began working in a qualifying job;

14 (7) "rural area" means any part of the state
15 other than:

16 (a) an H class county;

17 (b) the state fairgrounds;

18 (c) an incorporated municipality within
19 a metropolitan statistical area if the municipality's
20 population is thirty thousand or more according to the most
21 recent federal decennial census; and

22 (d) any area within ten miles of the
23 exterior boundaries of a municipality described in Subparagraph
24 (c) of this paragraph;

25 (8) "tier one area" means:

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1 (a) any municipality within the rural
2 area if the municipality's population according to the most
3 recent federal decennial census is fifteen thousand or less; or

4 (b) any part of the rural area that is
5 not within the exterior boundaries of a municipality;

6 (9) "tier two area" means any municipality
7 within the rural area if the municipality's population
8 according to the most recent federal decennial census is more
9 than fifteen thousand; and

10 (10) "wages" means all compensation paid by an
11 eligible employer to an eligible employee through the
12 employer's payroll system, including those wages the employee
13 elects to defer or redirect, such as the employee's
14 contribution to 401(k) or cafeteria plan programs, but not
15 including benefits or the employer's share of payroll taxes."

16 SECTION 3. Section 7-9-24 NMSA 1978 (being Laws 1969,
17 Chapter 144, Section 17, as amended) is amended to read:

18 "7-9-24. EXEMPTION--GROSS RECEIPTS TAX--INSURANCE
19 COMPANIES--AGENTS OF INSURANCE COMPANIES.--

20 A. Exempted from the gross receipts tax are the
21 receipts [~~of insurance companies or any agent thereof from~~
22 ~~premiums and any consideration received by a property bondsman,~~
23 ~~as that person is defined in Section 59A-51-2 NMSA 1978, as~~
24 ~~security or surety for a bail bond in connection with a~~
25 ~~judicial proceeding]~~ for which the premium tax pursuant to

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1 Section 59A-6-2 NMSA 1978 is assessed.

2 B. Exempted from the gross receipts tax are the
3 receipts of an agent of an insurer for services directly
4 related to administering an insurance plan on behalf of the
5 insurer.

6 C. As used in this section, "insurer" means
7 "insurer" as defined in the New Mexico Insurance Code."

8 SECTION 4. Section 7-9-29 NMSA 1978 (being Laws 1970,
9 Chapter 12, Section 3, as amended) is amended to read:

10 "7-9-29. EXEMPTION--GROSS RECEIPTS TAX--CERTAIN
11 ORGANIZATIONS--EXCEPTIONS.--

12 A. Exempted from the gross receipts tax are the
13 receipts of organizations that demonstrate to the department
14 that they have been granted exemption from the federal income
15 tax by the United States commissioner of internal revenue as
16 organizations described in Section 501(c)(3) of the United
17 States Internal Revenue Code of [~~1954~~] 1986, as that section
18 may be amended or renumbered.

19 B. Exempted from the gross receipts tax are the
20 receipts from carrying on chamber of commerce, visitor bureau
21 and convention bureau functions of organizations that
22 demonstrate to the department that they have been granted
23 exemption from the federal income tax by the United States
24 commissioner of internal revenue as organizations described in
25 Section 501(c)(6) of the United States Internal Revenue Code of

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1 ~~[1954]~~ 1986, as that section may be amended or renumbered.

2 C. This section does not apply to:

3 (1) receipts derived from an unrelated trade
4 or business as defined in Section 513 of the United States
5 Internal Revenue Code of ~~[1954]~~ 1986, as that section may be
6 amended or renumbered; or

7 (2) receipts of a prime contractor that are
8 derived from operating a facility in New Mexico designated as a
9 national laboratory by an act of congress."

10 SECTION 5. Section 7-9-47 NMSA 1978 (being Laws 1969,
11 Chapter 144, Section 37, as amended) is amended to read:

12 "7-9-47. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL
13 GROSS RECEIPTS TAX--SALE OF TANGIBLE PERSONAL PROPERTY OR
14 LICENSES FOR RESALE.--

15 A. Receipts from selling tangible personal property
16 or licenses may be deducted from gross receipts or from
17 governmental gross receipts if the sale is made to a person who
18 delivers a nontaxable transaction certificate to the seller.
19 The buyer delivering the nontaxable transaction certificate
20 ~~[must]~~ shall only resell the tangible personal property or
21 license either by itself or in combination with other tangible
22 personal property or licenses in the ordinary course of
23 business.

24 B. A taxpayer allowed a deduction pursuant to this
25 section shall report the amount of the deduction separately in

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1 a manner required by the department.

2 C. The department shall compile an annual report on
3 the deduction provided by this section that shall include the
4 number of taxpayers that claimed the deduction, the aggregate
5 amount of deductions claimed and any other information
6 necessary to evaluate the deduction. The department shall
7 present the report to the revenue stabilization and tax policy
8 committee and the legislative finance committee with an
9 analysis of the cost of the deduction."

10 SECTION 6. Section 7-9-48 NMSA 1978 (being Laws 1969,
11 Chapter 144, Section 38, as amended) is amended to read:

12 "7-9-48. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL
13 GROSS RECEIPTS--SALE OF A SERVICE FOR RESALE.--

14 A. Receipts from selling a service for resale may
15 be deducted from gross receipts or from governmental gross
16 receipts if the sale is made to a person who delivers a
17 nontaxable transaction certificate to the seller. The buyer
18 delivering the nontaxable transaction certificate [~~must~~] shall
19 only resell the service in the ordinary course of business and
20 the resale [~~must~~] shall be subject to the gross receipts tax or
21 governmental gross receipts tax.

22 B. A taxpayer allowed a deduction pursuant to this
23 section shall report the amount of the deduction separately in
24 a manner required by the department.

25 C. The department shall compile an annual report on

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1 the deduction provided by this section that shall include the
2 number of taxpayers that claimed the deduction, the aggregate
3 amount of deductions claimed and any other information
4 necessary to evaluate the deduction. The department shall
5 present the report to the revenue stabilization and tax policy
6 committee and the legislative finance committee with an
7 analysis of the cost of the deduction."

8 SECTION 7. Section 7-9-54.3 NMSA 1978 (being Laws 2002,
9 Chapter 37, Section 8, as amended by Laws 2010, Chapter 77,
10 Section 2 and by Laws 2010, Chapter 78, Section 2) is amended
11 to read:

12 "7-9-54.3. DEDUCTION--GROSS RECEIPTS TAX--WIND AND SOLAR
13 GENERATION EQUIPMENT--SALES TO GOVERNMENTS.--

14 A. Receipts from selling wind generation equipment
15 or solar generation equipment to a government for the purpose
16 of installing a wind or solar electric generation facility may
17 be deducted from gross receipts.

18 B. The deduction allowed pursuant to this section
19 shall not be claimed for receipts from an expenditure for which
20 a taxpayer claims a credit pursuant to Section 7-2-18.25,
21 7-2A-25 or 7-9G-2 NMSA 1978.

22 C. A taxpayer allowed a deduction pursuant to this
23 section shall report the amount of the deduction separately in
24 a manner required by the department.

25 D. The department shall compile an annual report on

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1 the deduction provided by this section that shall include the
2 number of taxpayers that claimed the deduction, the aggregate
3 amount of deductions claimed and any other information
4 necessary to evaluate the deduction. The department shall
5 present the report to the revenue stabilization and tax policy
6 committee and the legislative finance committee with an
7 analysis of the cost of the deduction.

8 [~~G.~~] E. As used in this section:

9 (1) "government" means the United States or
10 the state or a governmental unit or a subdivision, agency,
11 department or instrumentality of the federal government or the
12 state;

13 (2) "related equipment" means transformers,
14 circuit breakers and switching and metering equipment used to
15 connect a wind or solar electric generation plant to the
16 electric grid;

17 (3) "solar generation equipment" means solar
18 thermal energy collection, concentration and heat transfer and
19 conversion equipment; solar tracking hardware and software;
20 photovoltaic panels and inverters; support structures; turbines
21 and associated electrical generating equipment used to generate
22 electricity from solar thermal energy; and related equipment;
23 and

24 (4) "wind generation equipment" means wind
25 generation turbines, blades, nacelles, rotors and supporting

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1 structures used to generate electricity from wind and related
2 equipment."

3 SECTION 8. Section 7-9-56.2 NMSA 1978 (being Laws 1998,
4 Chapter 92, Section 2) is amended to read:

5 "7-9-56.2. DEDUCTION--GROSS RECEIPTS TAX--HOSTING WORLD
6 WIDE [~~WEB SITES~~] WEBSITES.--

7 A. Receipts from hosting world wide [~~web sites~~]
8 websites may be deducted from gross receipts. For purposes of
9 this section, "hosting" means storing information on computers
10 attached to the internet.

11 B. A taxpayer allowed a deduction pursuant to this
12 section shall report the amount of the deduction separately in
13 a manner required by the department.

14 C. The department shall compile an annual report on
15 the deduction provided by this section that shall include the
16 number of taxpayers that claimed the deduction, the aggregate
17 amount of deductions claimed and any other information
18 necessary to evaluate the deduction. The department shall
19 present the report to the revenue stabilization and tax policy
20 committee and the legislative finance committee with an
21 analysis of the cost of the deduction."

22 SECTION 9. Section 7-9-56.3 NMSA 1978 (being Laws 2003,
23 Chapter 232, Section 1, as amended) is amended to read:

24 "7-9-56.3. DEDUCTION--GROSS RECEIPTS--TRADE-SUPPORT
25 COMPANY IN A BORDER ZONE.--

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1 A. The receipts of a trade-support company may be
2 deducted from gross receipts if:

3 (1) the trade-support company first locates in
4 New Mexico within twenty miles of a port of entry on New
5 Mexico's border with Mexico on or after July 1, 2003 but before
6 July 1, 2013 or on or after January 1, 2016 but before January
7 1, 2021;

8 (2) the receipts are received by the company
9 within a five-year period beginning on the date the trade-
10 support company locates in New Mexico and the receipts are
11 derived from its business activities and operations at its
12 border zone location; and

13 (3) the trade-support company employs at least
14 two employees in New Mexico.

15 B. A taxpayer that claims the deduction provided by
16 this section authorizes the department to reveal the identity
17 of the taxpayer and the amount of the deduction taken.

18 ~~[B-]~~ C. A taxpayer allowed a deduction pursuant to
19 this section shall report the amount of the deduction
20 separately in a manner required by the department.

21 ~~[G-]~~ D. The department shall compile an annual
22 report on the deduction created pursuant to this section that
23 shall include the number of taxpayers approved by the
24 department to receive the deduction, the aggregate amount of
25 deductions approved and any other information necessary to

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1 evaluate the effectiveness of the deduction. [~~Beginning in~~
2 ~~2016 and every four years thereafter that the deduction is in~~
3 ~~effect~~] The department shall [~~compile and~~] present the [~~annual~~
4 ~~reports~~] report to the revenue stabilization and tax policy
5 committee and the legislative finance committee with an
6 analysis of the effectiveness and cost of the deduction.

7 [~~D.~~] E. As used in this section:

8 (1) "employee" means an individual, other than
9 an individual who:

10 (a) bears any of the relationships
11 described in Paragraphs (1) through (8) of 26 U.S.C. Section
12 152(a) to the employer or, if the employer is a corporation, to
13 an individual who owns, directly or indirectly, more than fifty
14 percent in value of the outstanding stock of the corporation
15 or, if the employer is an entity other than a corporation, to
16 an individual who owns, directly or indirectly, more than fifty
17 percent of the capital and profits interests in the entity;

18 (b) if the employer is an estate or
19 trust, is a grantor, beneficiary or fiduciary of the estate or
20 trust or is an individual who bears any of the relationships
21 described in Paragraphs (1) through (8) of 26 U.S.C. Section
22 152(a) to a grantor, beneficiary or fiduciary of the estate or
23 trust; or

24 (c) is a dependent, as that term is
25 described in 26 U.S.C. Section 152(a)(9), of the employer, or,

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1 if the taxpayer is a corporation, of an individual who owns,
2 directly or indirectly, more than fifty percent in value of the
3 outstanding stock of the corporation or, if the employer is an
4 entity other than a corporation, an individual who owns,
5 directly or indirectly, more than fifty percent of the capital
6 and profits interests in the entity or, if the employer is an
7 estate or trust, of a grantor, beneficiary or fiduciary of the
8 estate or trust;

9 (2) "port of entry" means an international
10 port of entry in New Mexico at which customs services are
11 provided by United States customs and border protection; and

12 (3) "trade-support company" means a customs
13 brokerage firm or a freight forwarder."

14 SECTION 10. Section 7-9-57 NMSA 1978 (being Laws 1969,
15 Chapter 144, Section 47, as amended) is amended to read:

16 "7-9-57. DEDUCTION--GROSS RECEIPTS TAX--SALE OF CERTAIN
17 SERVICES TO AN OUT-OF-STATE BUYER.--

18 A. Receipts from performing a service may be
19 deducted from gross receipts if the sale of the service is made
20 to an out-of-state buyer who delivers to the seller either an
21 appropriate nontaxable transaction certificate or other
22 evidence acceptable to the secretary unless the buyer of the
23 service or any of the buyer's employees or agents makes initial
24 use of the product of the service in New Mexico or takes
25 delivery of the product of the service in New Mexico.

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1 B. Receipts from performing a service that
2 initially qualified for the deduction provided in this section
3 but that no longer meets the criteria set forth in Subsection A
4 of this section shall be deductible for the period prior to the
5 disqualification.

6 C. A taxpayer allowed a deduction pursuant to this
7 section shall report the amount of the deduction separately in
8 a manner required by the department.

9 D. The department shall compile an annual report on
10 the deduction provided by this section that shall include the
11 number of taxpayers that claimed the deduction, the aggregate
12 amount of deductions claimed and any other information
13 necessary to evaluate the deduction. The department shall
14 present the report to the revenue stabilization and tax policy
15 committee and the legislative finance committee with an
16 analysis of the cost of the deduction."

17 SECTION 11. Section 7-9-57.2 NMSA 1978 (being Laws 2002,
18 Chapter 10, Section 1) is amended to read:

19 "7-9-57.2. DEDUCTION--GROSS RECEIPTS TAX--SALE OF
20 SOFTWARE DEVELOPMENT SERVICES.--

21 A. To stimulate new business development, the
22 receipts of an eligible software development company from the
23 sale of software development services that are performed in a
24 qualified area may be deducted from gross receipts.

25 B. A taxpayer allowed a deduction pursuant to this

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1 section shall report the amount of the deduction separately in
2 a manner required by the department.

3 C. The department shall compile an annual report on
4 the deduction provided by this section that shall include the
5 number of taxpayers that claimed the deduction, the aggregate
6 amount of deductions claimed and any other information
7 necessary to evaluate the deduction. The department shall
8 present the report to the revenue stabilization and tax policy
9 committee and the legislative finance committee with an
10 analysis of the cost of the deduction.

11 ~~[B-]~~ D. As used in this section:

12 (1) "eligible software development company"
13 means a taxpayer who is not a successor in business of another
14 taxpayer; ~~[and]~~ whose primary business in New Mexico is
15 established after ~~[the effective date of this section]~~ July 1,
16 2002 and is providing software development services; and who
17 had no business location in New Mexico other than in a
18 qualified area during the period for which a deduction under
19 this section is sought;

20 (2) "qualified area" means the state of New
21 Mexico except for an incorporated municipality with a
22 population of more than fifty thousand according to the most
23 recent federal decennial census; and

24 (3) "software development services" means
25 custom software design and development and ~~[web site]~~ website

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1 design and development but does not include software
2 implementation or support services."

3 SECTION 12. Section 7-9-62.1 NMSA 1978 (being Laws 2000
4 (2nd S.S.), Chapter 4, Section 2, as amended) is amended to
5 read:

6 "7-9-62.1. DEDUCTION--GROSS RECEIPTS TAX--AIRCRAFT SALES
7 AND SERVICES--REPORTING REQUIREMENTS.--

8 A. Receipts from the sale of or from maintaining,
9 refurbishing, remodeling or otherwise modifying a commercial or
10 military carrier over ten thousand pounds gross landing weight
11 may be deducted from gross receipts.

12 B. A taxpayer that claims the deduction provided by
13 this section authorizes the department to reveal the identity
14 of the taxpayer and the amount of the deduction taken.

15 ~~[B.]~~ C. A taxpayer allowed a deduction pursuant to
16 this section shall report the amount of the deduction
17 separately in a manner required by the department.

18 ~~[C.]~~ D. The department shall compile an annual
19 report on the deduction provided by this section that shall
20 include the number of taxpayers approved by the department to
21 receive the deduction, the aggregate amount of deductions
22 approved and any other information necessary to evaluate the
23 effectiveness of the deduction. ~~[Beginning in 2019 and every~~
24 ~~five years thereafter that the deduction is in effect]~~ The
25 department shall ~~[compile and]~~ present the ~~[annual reports]~~

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1 report to the revenue stabilization and tax policy committee
2 and the legislative finance committee with an analysis of the
3 effectiveness and cost of the deduction."

4 SECTION 13. Section 7-9-63 NMSA 1978 (being Laws 1969,
5 Chapter 144, Section 53) is amended to read:

6 "7-9-63. DEDUCTION--GROSS RECEIPTS TAX--PUBLICATION
7 SALES.--

8 A. Receipts from publishing newspapers or
9 magazines, except from selling advertising space, may be
10 deducted from gross receipts.

11 B. Receipts from selling magazines at retail may
12 not be deducted from gross receipts.

13 C. A taxpayer allowed a deduction pursuant to this
14 section shall report the amount of the deduction separately in
15 a manner required by the department.

16 D. The department shall compile an annual report on
17 the deduction provided by this section that shall include the
18 number of taxpayers that claimed the deduction, the aggregate
19 amount of deductions claimed and any other information
20 necessary to evaluate the deduction. The department shall
21 present the report to the revenue stabilization and tax policy
22 committee and the legislative finance committee with an
23 analysis of the cost of the deduction."

24 SECTION 14. Section 7-9-64 NMSA 1978 (being Laws 1969,
25 Chapter 144, Section 54) is amended to read:

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1 "7-9-64. DEDUCTION--GROSS RECEIPTS TAX--NEWSPAPER
2 SALES.--

3 A. Receipts from selling newspapers, except from
4 selling advertising space, may be deducted from gross receipts.

5 B. A taxpayer allowed a deduction pursuant to this
6 section shall report the amount of the deduction separately in
7 a manner required by the department.

8 C. The department shall compile an annual report on
9 the deduction provided by this section that shall include the
10 number of taxpayers that claimed the deduction, the aggregate
11 amount of deductions claimed and any other information
12 necessary to evaluate the deduction. The department shall
13 present the report to the revenue stabilization and tax policy
14 committee and the legislative finance committee with an
15 analysis of the cost of the deduction."

16 SECTION 15. Section 7-9-69 NMSA 1978 (being Laws 1969,
17 Chapter 144, Section 61, as amended) is amended to read:

18 "7-9-69. DEDUCTION--GROSS RECEIPTS TAX--ADMINISTRATIVE
19 AND ACCOUNTING SERVICES.--

20 A. Receipts of a business entity for
21 administrative, managerial, accounting and customer services
22 performed by it for an affiliate upon a nonprofit or cost basis
23 and receipts of a business entity from an affiliate for the
24 joint use or sharing of office machines and facilities upon a
25 nonprofit or cost basis may be deducted from gross receipts.

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1 B. A taxpayer allowed a deduction pursuant to this
2 section shall report the amount of the deduction separately in
3 a manner required by the department.

4 C. The department shall compile an annual report on
5 the deduction provided by this section that shall include the
6 number of taxpayers that claimed the deduction, the aggregate
7 amount of deductions claimed and any other information
8 necessary to evaluate the deduction. The department shall
9 present the report to the revenue stabilization and tax policy
10 committee and the legislative finance committee with an
11 analysis of the cost of the deduction.

12 ~~[B-]~~ D. For the purposes of this section:

13 (1) "affiliate" means a business entity that
14 directly or indirectly through one or more intermediaries
15 controls, is controlled by or is under common control with
16 another business entity;

17 (2) "business entity" means a corporation,
18 limited liability company, partnership, limited partnership,
19 limited liability partnership or real estate investment trust,
20 but does not mean an individual or a joint venture; and

21 (3) "control" means equity ownership in a
22 business entity that:

23 (a) represents at least fifty percent of
24 the total voting power of that business entity; or

25 (b) has a value equal to at least fifty

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1 percent of the total equity of that business entity."

2 SECTION 16. Section 7-9-73.1 NMSA 1978 (being Laws 1991,
3 Chapter 8, Section 3, as amended) is amended to read:

4 "7-9-73.1. DEDUCTION--GROSS RECEIPTS--HOSPITALS.--

5 A. Fifty percent of the receipts of hospitals
6 licensed by the department of health may be deducted from gross
7 receipts; provided that this deduction may be applied only to
8 the taxable gross receipts remaining after all other
9 appropriate deductions have been taken.

10 B. A taxpayer that claims the deduction provided by
11 this section authorizes the department to reveal the identity
12 of the taxpayer and the amount of the deduction taken.

13 C. A taxpayer allowed a deduction pursuant to this
14 section shall report the amount of the deduction separately in
15 a manner required by the department.

16 D. The department shall compile an annual report on
17 the deduction provided by this section that shall include the
18 number of taxpayers that claimed the deduction, the aggregate
19 amount of deductions claimed and any other information
20 necessary to evaluate the deduction. The department shall
21 present the report to the revenue stabilization and tax policy
22 committee and the legislative finance committee with an
23 analysis of the cost of the deduction."

24 SECTION 17. Section 7-9-73.2 NMSA 1978 (being Laws 1998,
25 Chapter 95, Section 2 and Laws 1998, Chapter 99, Section 4, as
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1 amended) is amended to read:

2 "7-9-73.2. DEDUCTION--GROSS RECEIPTS TAX AND GOVERNMENTAL
3 GROSS RECEIPTS TAX--PRESCRIPTION DRUGS--OXYGEN.--

4 A. Receipts from the sale of prescription drugs and
5 oxygen and oxygen services provided by a licensed medicare
6 durable medical equipment provider may be deducted from gross
7 receipts and governmental gross receipts.

8 B. A taxpayer allowed a deduction pursuant to this
9 section shall report the amount of the deduction separately in
10 a manner required by the department.

11 C. The department shall compile an annual report on
12 the deduction provided by this section that shall include the
13 number of taxpayers that claimed the deduction, the aggregate
14 amount of deductions claimed and any other information
15 necessary to evaluate the deduction. The department shall
16 present the report to the revenue stabilization and tax policy
17 committee and the legislative finance committee with an
18 analysis of the cost of the deduction.

19 [~~B.~~] D. For the purposes of this section,
20 "prescription drugs" means insulin and substances that are:

21 (1) dispensed by or under the supervision of a
22 licensed pharmacist or by a physician or other person
23 authorized under state law to do so;

24 (2) prescribed for a specified person by a
25 person authorized under state law to prescribe the substance;

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1 and

2 (3) subject to the restrictions on sale
3 contained in Subparagraph 1 of Subsection (b) of 21 USCA 353."

4 SECTION 18. Section 7-9-75 NMSA 1978 (being Laws 1972,
5 Chapter 39, Section 2) is amended to read:

6 "7-9-75. DEDUCTION--GROSS RECEIPTS TAX--SALE OF CERTAIN
7 SERVICES PERFORMED DIRECTLY ON PRODUCT MANUFACTURED.--

8 A. Receipts from selling the service of combining
9 or processing components or materials may be deducted from
10 gross receipts if the sale is made to a person engaged in the
11 business of manufacturing who delivers a nontaxable transaction
12 certificate to the seller. The buyer delivering the nontaxable
13 transaction certificate [~~must~~] shall only have the service
14 performed directly upon tangible personal property [~~which he~~]
15 that the buyer is in the business of manufacturing or upon
16 ingredients or component parts thereof.

17 B. A taxpayer allowed a deduction pursuant to this
18 section shall report the amount of the deduction separately in
19 a manner required by the department.

20 C. The department shall compile an annual report on
21 the deduction provided by this section that shall include the
22 number of taxpayers that claimed the deduction, the aggregate
23 amount of deductions claimed and any other information
24 necessary to evaluate the deduction. The department shall
25 present the report to the revenue stabilization and tax policy

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1 committee and the legislative finance committee with an
2 analysis of the cost of the deduction."

3 SECTION 19. Section 7-9-83 NMSA 1978 (being Laws 1993,
4 Chapter 364, Section 1, as amended) is amended to read:

5 "7-9-83. DEDUCTION--GROSS RECEIPTS TAX--JET FUEL.--

6 A. [~~From July 1, 2003 through June 30, 2017,~~
7 ~~fifty-five percent of the receipts from the sale of fuel~~
8 ~~specially prepared and sold for use in turboprop or jet-type~~
9 ~~engines as determined by the department may be deducted from~~
10 ~~gross receipts.~~ B. ~~After June 30, 2017]~~ Forty percent of the
11 receipts from the sale of fuel specially prepared and sold for
12 use in turboprop or jet-type engines as determined by the
13 department may be deducted from gross receipts.

14 B. A taxpayer allowed a deduction pursuant to this
15 section shall report the amount of the deduction separately in
16 a manner required by the department.

17 C. The department shall compile an annual report on
18 the deduction provided by this section that shall include the
19 number of taxpayers that claimed the deduction, the aggregate
20 amount of deductions claimed and any other information
21 necessary to evaluate the deduction. The department shall
22 present the report to the revenue stabilization and tax policy
23 committee and the legislative finance committee with an
24 analysis of the cost of the deduction."

25 SECTION 20. Section 7-9-84 NMSA 1978 (being Laws 1993,

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1 Chapter 364, Section 2, as amended) is amended to read:

2 "7-9-84. DEDUCTION--COMPENSATING TAX--JET FUEL.--

3 A. ~~[From July 1, 2003 through June 30, 2017, fifty-~~
4 ~~five percent of the value of the fuel specially prepared and~~
5 ~~sold for use in turboprop or jet-type engines as determined by~~
6 ~~the department may be deducted in computing the compensating~~
7 ~~tax due. B. After June 30, 2017]~~ Forty percent of the value
8 of the fuel specially prepared and sold for use in turboprop or
9 jet-type engines as determined by the department may be
10 deducted in computing the compensating tax due.

11 B. A taxpayer allowed a deduction pursuant to this
12 section shall report the amount of the deduction separately in
13 a manner required by the department.

14 C. The department shall compile an annual report on
15 the deduction provided by this section that shall include the
16 number of taxpayers that claimed the deduction, the aggregate
17 amount of deductions claimed and any other information
18 necessary to evaluate the deduction. The department shall
19 present the report to the revenue stabilization and tax policy
20 committee and the legislative finance committee with an
21 analysis of the cost of the deduction."

22 SECTION 21. Section 7-9-86 NMSA 1978 (being Laws 1995,
23 Chapter 80, Section 1, as amended) is amended to read:

24 "7-9-86. DEDUCTION--GROSS RECEIPTS TAX--SALES TO
25 QUALIFIED FILM PRODUCTION COMPANY.--

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1 A. Receipts from selling or leasing property and
2 from performing services may be deducted from gross receipts or
3 from governmental gross receipts if the sale, lease or
4 performance is made to a qualified production company that
5 delivers a nontaxable transaction certificate to the seller,
6 lessor or performer.

7 B. A taxpayer allowed a deduction pursuant to this
8 section shall report the amount of the deduction separately in
9 a manner required by the department.

10 C. The department shall compile an annual report on
11 the deduction provided by this section that shall include the
12 number of taxpayers that claimed the deduction, the aggregate
13 amount of deductions claimed and any other information
14 necessary to evaluate the deduction. The department shall
15 present the report to the revenue stabilization and tax policy
16 committee and the legislative finance committee with an
17 analysis of the cost of the deduction.

18 ~~[B-]~~ D. For the purposes of this section:

19 (1) "film" means a single media or multimedia
20 program, including an advertising message, that:

21 (a) is fixed on film, digital medium,
22 videotape, computer disc, laser disc or other similar delivery
23 medium;

24 (b) can be viewed or reproduced;

25 (c) is not intended to and does not

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1 violate a provision of Chapter 30, Article 37 NMSA 1978; and

2 (d) is intended for reasonable
3 commercial exploitation for the delivery medium used;

4 (2) "production company" means a person that
5 produces one or more films for exhibition in theaters, on
6 television or elsewhere;

7 (3) "production costs" means the costs of the
8 following:

9 (a) a story and scenario to be used for
10 a film;

11 (b) salaries of talent, management and
12 labor, including payments to personal services corporations for
13 the services of a performing artist;

14 (c) set construction and operations,
15 wardrobe, accessories and related services;

16 (d) photography, sound synchronization,
17 lighting and related services;

18 (e) editing and related services;

19 (f) rental of facilities and equipment;

20 or

21 (g) other direct costs of producing the
22 film in accordance with generally accepted entertainment
23 industry practice; and

24 (4) "qualified production company" means a
25 production company that meets the provisions of this section

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1 and has registered or will register with the New Mexico film
2 division of the economic development department.

3 [~~G-~~] E. A qualified production company may deliver
4 the nontaxable transaction certificates authorized by this
5 section only with respect to production costs."

6 SECTION 22. Section 7-9-108 NMSA 1978 (being Laws 2007,
7 Chapter 172, Section 10) is amended to read:

8 "7-9-108. DEDUCTION--GROSS RECEIPTS--RECEIPTS FROM
9 PERFORMING MANAGEMENT OR INVESTMENT ADVISORY SERVICES FOR
10 MUTUAL FUNDS, HEDGE FUNDS OR REAL ESTATE INVESTMENT TRUSTS.--

11 A. Receipts from fees received for performing
12 management or investment advisory services for a mutual fund,
13 hedge fund or real estate investment trust may be deducted from
14 gross receipts.

15 B. A taxpayer allowed a deduction pursuant to this
16 section shall report the amount of the deduction separately in
17 a manner required by the department.

18 C. The department shall compile an annual report on
19 the deduction provided by this section that shall include the
20 number of taxpayers that claimed the deduction, the aggregate
21 amount of deductions claimed and any other information
22 necessary to evaluate the deduction. The department shall
23 present the report to the revenue stabilization and tax policy
24 committee and the legislative finance committee with an
25 analysis of the cost of the deduction.

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1 ~~[B-]~~ D. As used in this section:

2 (1) "hedge fund" means a private investment
3 fund or pool, the assets of which are managed by a professional
4 management firm, that:

5 (a) trades or invests, through public
6 market or private transactions, in securities, commodities,
7 currency, derivatives or similar classes of financial assets;
8 or

9 (b) is not an investment company
10 pursuant to the provisions of 15 U.S.C. 80a-3(c)(1) or 15
11 U.S.C. 80a-3(c)(7);

12 (2) "mutual fund" means an entity registered
13 pursuant to the federal Investment Company Act of 1940, as
14 amended; and

15 (3) "real estate investment trust" means an
16 entity described in Section 856(a) of the Internal Revenue Code
17 of 1986, as amended, the investments of which are limited to
18 interests in mortgages on real property and shares of or
19 transferable certificates of beneficial interest in an entity
20 described in Section 856(a) of the Internal Revenue Code of
21 1986, as amended."

22 SECTION 23. Section 7-9-115 NMSA 1978 (being Laws 2015
23 (1st S.S.), Chapter 2, Section 9) is amended to read:

24 "7-9-115. DEDUCTION--GROSS RECEIPTS TAX--GOODS AND
25 SERVICES FOR THE DEPARTMENT OF DEFENSE RELATED TO DIRECTED

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1 ENERGY AND SATELLITES.--

2 A. Prior to January 1, 2021, receipts from the sale
3 by a qualified contractor of qualified research and development
4 services and qualified directed energy and satellite-related
5 inputs may be deducted from gross receipts when sold pursuant
6 to a contract with the United States department of defense.

7 B. The purposes of the deduction allowed in this
8 section are to promote new and sophisticated technology,
9 enhance the viability of directed energy and satellite
10 projects, attract new projects and employers to New Mexico and
11 increase high-technology employment opportunities in New
12 Mexico.

13 C. A taxpayer allowed a deduction pursuant to this
14 section shall report the amount of the deduction separately in
15 a manner required by the department.

16 D. The department shall compile an annual report on
17 the deduction provided by this section that shall include the
18 number of taxpayers that claimed the deduction, the aggregate
19 amount of deductions claimed and any other information
20 necessary to evaluate the effectiveness of the deduction.

21 [~~Beginning in 2017 and each year thereafter that the deduction~~
22 ~~is in effect~~] The department and the economic development
23 department shall present the [~~annual~~] report to the revenue
24 stabilization and tax policy committee and the legislative
25 finance committee with an analysis of the effectiveness and

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1 cost of the deduction and whether the deduction is performing
2 the purpose for which it was created.

3 E. As used in this section:

4 (1) "directed energy" means a system,
5 including related services, that enables the use of the
6 frequency spectrum, including radio waves, light and x-rays;

7 (2) "inputs" means systems, subsystems,
8 components, prototypes and demonstrators or products and
9 services involving optics, photonics, electronics, advanced
10 materials, nanoelectromechanical and microelectromechanical
11 systems, fabrication materials and test evaluation and computer
12 control systems related to directed energy or satellites;

13 (3) "qualified contractor" means a person
14 other than an organization designated as a national laboratory
15 by act of congress or an operator of national laboratory
16 facilities in New Mexico; provided that the operator may be a
17 qualified contractor with respect to the operator's receipts
18 not connected with operating the national laboratory;

19 (4) "qualified directed energy and satellite-
20 related inputs" means inputs supplied to the department of
21 defense pursuant to a contract with that department entered
22 into on or after January 1, 2016;

23 (5) "qualified research and development
24 services" means research and development services related to
25 directed energy or satellites provided to the department of

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1 defense pursuant to a contract with that department entered
2 into on or after January 1, 2016; and

3 (6) "satellite" means composite systems
4 assembled and packaged for use in space, including launch
5 vehicles and related products and services."

6 SECTION 24. Section 7-9A-9 NMSA 1978 (being Laws 1979,
7 Chapter 347, Section 9, as amended by Laws 1991, Chapter 159,
8 Section 7 and also by Laws 1991, Chapter 162, Section 7) is
9 amended to read:

10 "7-9A-9. CREDIT CLAIM FORMS--REPORTING---

11 A. The department shall provide credit claim forms.
12 A credit claim shall accompany any return to which the taxpayer
13 wishes to apply an approved credit, and the claim shall specify
14 the amount of credit intended to apply to each return.

15 B. A claim for the tax credit provided by the
16 Investment Credit Act is authorization by the taxpayer to
17 reveal the identity of the taxpayer and the amount of the tax
18 credit allowed by the department.

19 C. A taxpayer allowed a tax credit shall report the
20 amount of the credit separately in a manner required by the
21 department.

22 D. The department shall compile an annual report on
23 the tax credit that shall include the number of taxpayers that
24 claimed the tax credit, the aggregate amount of credits allowed
25 and any other information necessary to evaluate the tax credit.

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1 The department shall present the report to the revenue
2 stabilization and tax policy committee and the legislative
3 finance committee with an analysis of the cost and whether the
4 tax credit is performing the purpose for which it was enacted."

5 SECTION 25. Section 7-9G-1 NMSA 1978 (being Laws 2004,
6 Chapter 15, Section 1, as amended) is amended to read:

7 "7-9G-1. HIGH-WAGE JOBS TAX CREDIT--QUALIFYING HIGH-WAGE
8 JOBS.--

9 A. A taxpayer who is an eligible employer may apply
10 for, and the department may allow, a tax credit for each new
11 high-wage economic-based job. The credit provided in this
12 section may be referred to as the "high-wage jobs tax credit".

13 B. The purpose of the high-wage jobs tax credit is
14 to provide an incentive for urban and rural businesses to
15 create and fill new high-wage economic-based jobs in New
16 Mexico.

17 C. The high-wage jobs tax credit may be claimed and
18 allowed in an amount equal to ten percent of the wages
19 distributed to an eligible employee in a new high-wage
20 economic-based job, but shall not exceed twelve thousand
21 dollars (\$12,000) per job per qualifying period. The high-wage
22 jobs tax credit may be claimed by an eligible employer for each
23 new high-wage economic-based job performed for the year in
24 which the new high-wage economic-based job is created and for
25 the three consecutive qualifying periods as provided in this

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1 section.

2 D. To receive a high-wage jobs tax credit, a
3 taxpayer shall file an application for approval of the credit
4 with the department once per calendar year on forms and in the
5 manner prescribed by the department. The annual application
6 shall contain the certification required by Subsection K of
7 this section and shall contain all qualifying periods that
8 closed during the calendar year for which the application is
9 made. Any qualifying period that did not close in the calendar
10 year for which the application is made shall be denied by the
11 department. The application for a calendar year shall be filed
12 no later than December 31 of the following calendar year. If a
13 taxpayer fails to file the annual application within the time
14 limits provided in this section, the application shall be
15 denied by the department. The department shall make a
16 determination on the application within one hundred eighty days
17 of the date on which the application was filed; provided that
18 the one-hundred-eighty-day period shall not begin until the
19 application is complete, as determined by the department.

20 E. A new high-wage economic-based job shall not be
21 eligible for a credit pursuant to this section for the initial
22 qualifying period unless the eligible employer's total number
23 of employees with threshold jobs on the last day of the initial
24 qualifying period at the location at which the job is performed
25 or based is at least one more than the number of threshold jobs

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1 on the day prior to the date the new high-wage economic-based
2 job was created. A new high-wage economic-based job shall not
3 be eligible for a credit pursuant to this section for a
4 consecutive qualifying period unless the total number of
5 threshold jobs at a location at which the job is performed or
6 based on the last day of that qualifying period is greater than
7 or equal to the number of threshold jobs at that same location
8 on the last day of the initial qualifying period for the new
9 high-wage economic-based job.

10 F. Any consecutive qualifying period for a new
11 high-wage economic-based job shall not be eligible for a credit
12 pursuant to this section unless the wage, the forty-eight-week
13 occupancy and the residency requirements for a new high-wage
14 economic-based job are met for each consecutive qualifying
15 period. If any consecutive qualifying period for a new high-
16 wage economic-based job does not meet the wage, the forty-
17 eight-week occupancy and the residency requirements, all
18 subsequent qualifying periods are ineligible.

19 G. Except as provided in Subsection H of this
20 section, a new high-wage economic-based job shall not be
21 eligible for a credit pursuant to this section if:

22 (1) the new high-wage economic-based job is
23 created due to a business merger or acquisition or other change
24 in business organization;

25 (2) the eligible employee was terminated from

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1 employment in New Mexico by another employer involved in the
2 business merger or acquisition or other change in business
3 organization with the taxpayer; and

4 (3) the new high-wage economic-based job is
5 performed by:

6 (a) the person who performed the job or
7 its functional equivalent prior to the business merger or
8 acquisition or other change in business organization; or

9 (b) a person replacing the person who
10 performed the job or its functional equivalent prior to a
11 business merger or acquisition or other change in business
12 organization.

13 H. A new high-wage economic-based job that was
14 created by another employer and for which an application for
15 the high-wage jobs tax credit was received and is under review
16 by the department prior to the time of the business merger or
17 acquisition or other change in business organization shall
18 remain eligible for the high-wage jobs tax credit for the
19 balance of the consecutive qualifying periods. The new
20 employer that results from a business merger or acquisition or
21 other change in business organization may only claim the high-
22 wage jobs tax credit for the balance of the consecutive
23 qualifying periods for which the new high-wage economic-based
24 job is otherwise eligible.

25 I. A new high-wage economic-based job shall not be

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1 eligible for a credit pursuant to this section if the job is
2 created due to an eligible employer entering into a contract or
3 becoming a subcontractor to a contract with a governmental
4 entity that replaces one or more entities performing
5 functionally equivalent services for the governmental entity
6 unless the job is a new high-wage economic-based job that was
7 not being performed by an employee of the replaced entity.

8 J. A new high-wage economic-based job shall not be
9 eligible for a credit pursuant to this section if the eligible
10 employer has more than one business location in New Mexico from
11 which it conducts business and the requirements of Subsection E
12 of this section are satisfied solely by moving the job from one
13 business location of the eligible employer in New Mexico to
14 another business location of the eligible employer in New
15 Mexico.

16 K. With respect to each annual application for a
17 high-wage jobs tax credit, the employer shall certify and
18 include:

19 (1) the amount of wages paid to each eligible
20 employee in a new high-wage economic-based job during the
21 qualifying period;

22 (2) the number of weeks each position was
23 occupied during the qualifying period;

24 (3) whether the new high-wage economic-based
25 job was in a municipality with a population of sixty thousand

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1 or more or with a population of less than sixty thousand
2 according to the most recent federal decennial census and
3 whether the job was in the unincorporated area of a county;

4 (4) whether the application pertains to the
5 first, second, third or fourth qualifying period for each
6 eligible employee;

7 (5) the total number of employees employed by
8 the employer at the job location on the day prior to the
9 qualifying period and on the last day of the qualifying period;

10 (6) the total number of threshold jobs
11 performed or based at the eligible employer's location on the
12 day prior to the qualifying period and on the last day of the
13 qualifying period;

14 (7) for an eligible employer that has more
15 than one business location in New Mexico from which it conducts
16 business, the total number of threshold jobs performed or based
17 at each business location of the eligible employer in New
18 Mexico on the day prior to the qualifying period and on the
19 last day of the qualifying period;

20 (8) whether the eligible employer is receiving
21 or is eligible to receive development training program
22 assistance pursuant to Section 21-19-7 NMSA 1978;

23 (9) whether the eligible employer has ceased
24 business operations at any of its business locations in New
25 Mexico; and

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1 (10) whether the application is precluded by
2 Subsection O of this section.

3 L. Any person who willfully submits a false,
4 incorrect or fraudulent certification required pursuant to
5 Subsection K of this section shall be subject to all applicable
6 penalties under the Tax Administration Act, except that the
7 amount on which the penalty is based shall be the total amount
8 of credit requested on the application for approval.

9 M. Except as provided in Subsection N of this
10 section, an approved high-wage jobs tax credit shall be claimed
11 against the taxpayer's modified combined tax liability and
12 shall be filed with the return due immediately following the
13 date of the credit approval. If the credit exceeds the
14 taxpayer's modified combined tax liability, the excess shall be
15 refunded to the taxpayer.

16 N. If the taxpayer ceases business operations in
17 New Mexico while an application for credit approval is pending
18 or after an application for credit has been approved for any
19 qualifying period for a new high-wage economic-based job, the
20 department shall not grant an additional high-wage jobs tax
21 credit to that taxpayer, except as provided in Subsection O of
22 this section, and shall extinguish any amount of credit
23 approved for that taxpayer that has not already been claimed
24 against the taxpayer's modified combined tax liability.

25 O. A taxpayer that has received a high-wage jobs

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1 tax credit shall not submit a new application for a credit for
2 a minimum of five calendar years from the closing date of the
3 last qualifying period for which the taxpayer received the
4 credit if the taxpayer:

5 (1) lost eligibility to claim a tax credit
6 from a previous application pursuant to Subsection E or N of
7 this section; or

8 (2) reduces its total full-time employees in
9 New Mexico by more than five percent after the date on which
10 the last qualifying period on the taxpayer's previous
11 application ends.

12 P. A claim for a high-wage jobs tax credit provided
13 by this section is authorization by the taxpayer to reveal the
14 identity of the taxpayer and the amount of the tax credit
15 allowed by the department.

16 Q. A taxpayer allowed a high-wage jobs tax credit
17 shall report the amount of the credit separately in a manner
18 required by the department.

19 ~~[P-]~~ R. The economic development department and the
20 taxation and revenue department shall ~~[report to the~~
21 ~~appropriate interim legislative]~~ compile an annual report on
22 the high-wage jobs tax credit that shall include the number of
23 taxpayers that claimed the tax credit, the aggregate amount of
24 credits allowed and any other information necessary to evaluate
25 the tax credit. The departments shall present the report to

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1 the revenue stabilization and tax policy committee and the
2 legislative finance committee each year with an analysis of the
3 cost of [~~this~~] the tax credit [~~to the state and its~~] and the
4 tax credit's impact on company recruitment and job creation.

5 [Q-] S. As used in this section:

6 (1) "benefits" means all remuneration for work
7 performed that is provided to an employee in whole or in part
8 by the employer, other than wages, including the employer's
9 contributions to insurance programs, health care, medical,
10 dental and vision plans, life insurance, employer contributions
11 to pensions, such as a 401(k), and employer-provided services,
12 such as child care, offered by an employer to the employee;

13 (2) "consecutive qualifying periods" means the
14 three qualifying periods successively following the qualifying
15 period in which the new high-wage economic-based job was
16 created;

17 (3) "department" means the taxation and
18 revenue department;

19 (4) "domicile" means the sole place where an
20 individual has a true, fixed, permanent home. It is the place
21 where the individual has a voluntary, fixed habitation of self
22 and family with the intention of making a permanent home;

23 (5) "eligible employee" means an individual
24 who is employed in New Mexico by an eligible employer and who
25 is a resident of New Mexico; "eligible employee" does not

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1 include an individual who:

2 (a) bears any of the relationships
3 described in Paragraphs (1) through (8) of 26 U.S.C. Section
4 152(a) to the employer or, if the employer is a corporation, to
5 an individual who owns, directly or indirectly, more than fifty
6 percent in value of the outstanding stock of the corporation
7 or, if the employer is an entity other than a corporation, to
8 an individual who owns, directly or indirectly, more than fifty
9 percent of the capital and profits interest in the entity;

10 (b) if the employer is an estate or
11 trust, is a grantor, beneficiary or fiduciary of the estate or
12 trust or is an individual who bears any of the relationships
13 described in Paragraphs (1) through (8) of 26 U.S.C. Section
14 152(a) to a grantor, beneficiary or fiduciary of the estate or
15 trust;

16 (c) is a dependent, as that term is
17 described in 26 U.S.C. Section 152(a)(9), of the employer or,
18 if the taxpayer is a corporation, of an individual who owns,
19 directly or indirectly, more than fifty percent in value of the
20 outstanding stock of the corporation or, if the employer is an
21 entity other than a corporation, of an individual who owns,
22 directly or indirectly, more than fifty percent of the capital
23 and profits interest in the entity or, if the employer is an
24 estate or trust, of a grantor, beneficiary or fiduciary of the
25 estate or trust; or

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1 (d) is working or has worked as an
2 employee or as an independent contractor for an entity that,
3 directly or indirectly, owns stock in a corporation of the
4 eligible employer or other interest of the eligible employer
5 that represents fifty percent or more of the total voting power
6 of that entity or has a value equal to fifty percent or more of
7 the capital and profits interest in the entity;

8 (6) "eligible employer" means an employer
9 that:

10 (a) sold and delivered more than fifty
11 percent of its goods produced in New Mexico or non-retail
12 services performed in New Mexico to persons outside New Mexico
13 for use or resale outside New Mexico during the applicable
14 qualifying period; provided that the fifty percent of those
15 goods or services is measured by the eligible employer's gross
16 receipts;

17 (b) is receiving or is eligible to
18 receive development training program assistance pursuant to
19 Section 21-19-7 NMSA 1978 during the applicable qualifying
20 period; and

21 (c) whose principal business activities
22 at the location in New Mexico for which the high-wage jobs tax
23 credit is being claimed consist of manufacturing or performing
24 non-retail services during the applicable qualifying period;

25 (7) "for use or resale outside New Mexico"

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1 means that the person who purchases the eligible employer's
2 goods or services uses or resells the goods or services outside
3 New Mexico or makes initial use of the goods or services
4 outside New Mexico. If the purchaser conducts business in
5 multiple states, goods and services are deemed for use or
6 resale outside New Mexico, unless New Mexico is the primary
7 market for the purchaser's goods or services;

8 (8) "full-time employee" means an employee who
9 works for the same employer an average of at least thirty-two
10 hours per week for at least forty-eight weeks per year;

11 (9) "manufacturing" means "manufacturing" as
12 that term is used in Section 7-9A-3 NMSA 1978;

13 (10) "modified combined tax liability" means
14 the total liability for the reporting period for the gross
15 receipts tax imposed by Section 7-9-4 NMSA 1978 together with
16 any tax collected at the same time and in the same manner as
17 the gross receipts tax, such as the compensating tax, the
18 withholding tax, the interstate telecommunications gross
19 receipts tax, the surcharges imposed by Section 63-9D-5 NMSA
20 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978,
21 minus the amount of any credit other than the high-wage jobs
22 tax credit applied against any or all of these taxes or
23 surcharges; but "modified combined tax liability" excludes all
24 amounts collected with respect to local option gross receipts
25 taxes;

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1 (11) "new high-wage economic-based job" means
2 a new job created in New Mexico by an eligible employer on or
3 after July 1, 2004 and prior to July 1, 2020 that is occupied
4 for at least forty-eight weeks of a qualifying period by an
5 eligible employee who is paid wages calculated for the
6 qualifying period to be at least:

7 (a) for a new high-wage economic-based
8 job created prior to July 1, 2015: 1) forty thousand dollars
9 (\$40,000) if the job is performed or based in or within ten
10 miles of the external boundaries of a municipality with a
11 population of sixty thousand or more according to the most
12 recent federal decennial census or in a class H county; and 2)
13 twenty-eight thousand dollars (\$28,000) if the job is performed
14 or based in a municipality with a population of less than sixty
15 thousand according to the most recent federal decennial census
16 or in the unincorporated area, that is not within ten miles of
17 the external boundaries of a municipality with a population of
18 sixty thousand or more, of a county other than a class H
19 county; and

20 (b) for a new high-wage economic-based
21 job created on or after July 1, 2015: 1) sixty thousand
22 dollars (\$60,000) if the job is performed or based in or within
23 ten miles of the external boundaries of a municipality with a
24 population of sixty thousand or more according to the most
25 recent federal decennial census or in a class H county; and 2)

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1 forty thousand dollars (\$40,000) if the job is performed or
2 based in a municipality with a population of less than sixty
3 thousand according to the most recent federal decennial census
4 or in the unincorporated area, that is not within ten miles of
5 the external boundaries of a municipality with a population of
6 sixty thousand or more, of a county other than a class H
7 county;

8 (12) "non-retail service" means a specialized
9 service, excluding a construction service of any type, that is
10 sold to another business or business entity and is used by the
11 business or business entity to develop products for or deliver
12 services to its customers. "Non-retail service" is not
13 provided by direct individual-to-individual interaction and is
14 not offered to the general public by the business or business
15 entity. "Non-retail service" includes:

16 (a) research, development, engineering
17 and testing services performed for a manufacturer that uses the
18 product of the service to develop new or improve existing
19 products;

20 (b) software and software application
21 development services performed for a business;

22 (c) data processing and hosting services
23 performed for a business that uses the service to deliver
24 products or service to its own customers;

25 (d) digital film production services and

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1 post-film production services performed for a business that
2 will market the digital product or film;

3 (e) customer or call center services
4 performed for a business, if those services do not support
5 retail activities of the eligible employer; and

6 (f) professional services, such as
7 accounting, engineering, legal and information technology
8 services, if the eligible employer does not offer those
9 services for sale to the general public;

10 (13) "performed in New Mexico" means that the
11 labor, activities, property and equipment necessary to
12 complete, but not to deliver, a service all occur or are
13 utilized within New Mexico;

14 (14) "produced in New Mexico" means the
15 creation of, bringing into existence or making available a good
16 or product for commercial sale through the expense of labor or
17 capital, or both, within New Mexico;

18 (15) "qualifying period" means the period of
19 twelve months beginning on the day an eligible employee begins
20 working in a new high-wage economic-based job or the period of
21 twelve months beginning on the anniversary of the day an
22 eligible employee began working in a new high-wage economic-
23 based job;

24 (16) "resident" means a natural person whose
25 domicile is in New Mexico at the time of hire or within one

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1 hundred eighty days of the date of hire;

2 (17) "threshold job" means a job that is
3 occupied for at least forty-eight weeks of a calendar year by
4 an eligible employee and that meets the wage requirements for a
5 "new high-wage economic-based job"; and

6 (18) "wages" means all compensation paid by an
7 eligible employer to an eligible employee through the
8 employer's payroll system, including those wages that the
9 employee elects to defer or redirect or the employee's
10 contribution to a 401(k) or cafeteria plan program, but "wages"
11 does not include benefits or the employer's share of payroll
12 taxes, social security or medicare contributions, federal or
13 state unemployment insurance contributions or workers'
14 compensation."

15 SECTION 26. Section 7-9J-8 NMSA 1978 (being Laws 2007,
16 Chapter 204, Section 18) is amended to read:

17 "7-9J-8. CREDIT CLAIM FORMS--REPORTING.--

18 A. The department shall provide credit claim forms
19 and instructions. A credit claim form shall accompany any
20 return in which the taxpayer claims a credit, and the claim
21 shall specify the amount of credit intended to apply to each
22 return.

23 B. A claim for the alternative energy product
24 manufacturers tax credit is authorization by the taxpayer to
25 reveal the identity of the taxpayer and the amount of the tax

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1 credit allowed by the department.

2 C. A taxpayer allowed a tax credit shall report the
3 amount of the credit separately in a manner required by the
4 department.

5 D. The department shall compile an annual report on
6 the alternative energy product manufacturers tax credit that
7 shall include the number of taxpayers that claimed the tax
8 credit, the aggregate amount of credits allowed and any other
9 information necessary to evaluate the tax credit. The
10 department shall present the report to the revenue
11 stabilization and tax policy committee and the legislative
12 finance committee with an analysis of the cost and whether the
13 tax credit is performing the purpose for which it was enacted."

14 SECTION 27. Section 7-14-6 NMSA 1978 (being Laws 1988,
15 Chapter 73, Section 16, as amended) is amended to read:

16 "7-14-6. EXEMPTIONS FROM TAX.--

17 A. A person who acquires a vehicle out of state
18 thirty or more days before establishing a domicile in this
19 state is exempt from the tax if the vehicle was acquired for
20 personal use.

21 B. A person applying for a certificate of title for
22 a vehicle registered in another state is exempt from the tax if
23 the person has previously registered and titled the vehicle in
24 New Mexico and has owned the vehicle continuously since that
25 time.

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1 C. A vehicle with a certificate of title owned by
2 this state or any political subdivision is exempt from the tax.

3 D. A person is exempt from the tax if the person
4 has a disability at the time the person purchases a vehicle and
5 can prove to the motor vehicle division of the department or
6 its agent that modifications have been made to the vehicle that
7 are:

8 (1) due to that person's disability; and

9 (2) necessary to enable that person to drive
10 that vehicle or be transported in that vehicle.

11 E. A person is exempt from the tax if the person is
12 a bona fide resident of New Mexico who served in the armed
13 forces of the United States and who suffered, while serving in
14 the armed forces or from a service-connected cause, the loss or
15 complete and total loss of use of:

16 (1) one or both legs at or above the ankle; or

17 (2) one or both arms at or above the wrist.

18 F. A person who acquires a vehicle for subsequent
19 lease shall be exempt from the tax if:

20 (1) the person does not use the vehicle in any
21 manner other than holding it for lease or sale or leasing or
22 selling it in the ordinary course of business;

23 (2) the lease is for a term of more than six
24 months;

25 (3) the receipts from the subsequent lease are

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1 subject to the gross receipts tax; and

2 (4) the vehicle does not have a gross vehicle
3 weight of over twenty-six thousand pounds.

4 [~~G. From July 1, 2004 through June 30, 2009,~~
5 ~~vehicles that are gasoline-electric hybrid vehicles with a~~
6 ~~United States environmental protection agency fuel economy~~
7 ~~rating of at least twenty-seven and one-half miles per gallon~~
8 ~~are eligible for a one-time exemption from the tax at the time~~
9 ~~of the issuance of the original certificate of title for the~~
10 ~~vehicle.]"~~

11 SECTION 28. Section 59A-6-6 NMSA 1978 (being Laws 1984,
12 Chapter 127, Section 106, as amended) is amended to read:

13 "59A-6-6. PREEMPTION AND IN LIEU PROVISION.--The state
14 government of New Mexico preempts the field of taxation of
15 insurers, nonprofit health care plans, health maintenance
16 organizations, prepaid dental plans, prearranged funeral plans
17 and insurance producers as such and payment of the taxes,
18 licenses and fees. [~~provided for in the Insurance Code~~] The
19 premium tax imposed pursuant to Section 59A-6-2 NMSA 1978 shall
20 be in lieu of all other taxes [~~licenses and fees of every kind~~
21 ~~now or hereafter imposed by this state or any political~~
22 ~~subdivision thereof on any of the foregoing specified entities,~~
23 ~~excepting the regular state, county and city taxes on property~~
24 ~~located in New Mexico and excepting the income tax on insurance~~
25 ~~producers. No provision of law enacted after January 1, 1985~~

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1 ~~shall be deemed to modify this provision except by express~~
2 ~~reference to this section]~~ on revenue or receipts for which the
3 premium tax is assessed."

4 SECTION 29. TEMPORARY PROVISION--EXHAUSTION OF CREDITS.--

5 A. If a taxpayer has met the eligibility
6 requirements to apply for and claim a credit pursuant to
7 Section 7-2-18.4, 7-2-18.5, 7-2-18.8, 7-2-18.21, 7-2-18.27,
8 7-2A-15 or 7-2A-23 NMSA 1978 or a credit pursuant to the
9 Venture Capital Investment Act for a period prior to the
10 effective date of this act, the taxpayer may claim, and the
11 taxation and revenue department may approve, the credit for
12 those periods, including amounts that may be carried forward
13 pursuant to those sections and that act as they were in effect
14 prior to the effective date of this act.

15 B. If a taxpayer has claimed and been awarded a
16 credit pursuant to Section 7-2-18.4, 7-2-18.5, 7-2-18.8,
17 7-2-18.21, 7-2-18.27, 7-2A-15 or 7-2A-23 NMSA 1978 or a credit
18 pursuant to the Venture Capital Investment Act, but a portion
19 of the credit claimed remains unused, the taxpayer may claim
20 the unused portion, including amounts that could have been
21 carried forward pursuant to those sections or that act as they
22 were in effect prior to the effective date of this act.

23 SECTION 30. DELAYED REPEAL.--Sections 7-2-18.4, 7-2-18.5,
24 7-2-18.8, 7-2-18.21, 7-2-18.27, 7-2A-15, 7-2A-23, 7-2D-1,
25 7-2D-2 and 7-2D-4 through 7-2D-14 NMSA 1978 (being Laws 1994,
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1 Chapter 115, Section 1, Laws 1998, Chapter 97, Section 2, Laws
2 2001, Chapter 73, Section 1, Laws 2007, Chapter 204, Section 7,
3 Laws 2011, Chapter 89, Section 1, Laws 1994, Chapter 115,
4 Section 2, Laws 2007, Chapter 204, Section 8, Laws 1993,
5 Chapter 313, Sections 1, 2 and 4 through 8, Laws 1995, Chapter
6 89, Section 8 and Laws 1993, Chapter 313, Sections 9 through
7 14, as amended) are repealed effective January 1, 2019.

8 SECTION 31. REPEAL.--Sections 7-9-65, 7-9-94 and 7-9-106
9 NMSA 1978 (being Laws 1969, Chapter 144, Section 56, Laws 2005,
10 Chapter 104, Section 23 and Laws 2007, Chapter 172, Section 8,
11 as amended) are repealed.

12 SECTION 32. EFFECTIVE DATE.--The effective date of the
13 provisions of this act is July 1, 2018.

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