

1 SENATE BILL 174

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

3 INTRODUCED BY

4 Leo Jaramillo

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION
12 FOR THE SALE OF LEGAL SERVICES TO RECOVER COMPENSATION PURSUANT
13 TO THE FEDERAL HERMIT'S PEAK/CALF CANYON FIRE ASSISTANCE ACT.

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

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

18 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--LEGAL SERVICES
19 TO RECOVER COMPENSATION FROM THE FEDERAL HERMIT'S PEAK/CALF
20 CANYON FIRE ASSISTANCE ACT.--

21 A. Gross receipts from the sale of legal services
22 rendered to and at the request of a person eligible to receive
23 compensation pursuant to the federal Hermit's Peak/Calf Canyon
24 Fire Assistance Act may be deducted from gross receipts;
25 provided that the legal services are directly related to

.227366.1

underscoring material = new
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underscoring material = new
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1 recovering the compensation.

2 B. As used in this section, "legal services" means
3 services performed by a licensed attorney or under the
4 supervision of a licensed attorney for a client, regardless of
5 the attorney's form of business entity or whether the services
6 are prepaid, including legal representation before courts or
7 administrative agencies; drafting legal documents, such as
8 contracts or patent applications; legal research; advising and
9 counseling; arbitration; mediation; and notary public and other
10 ancillary legal services performed for a client in conjunction
11 with and under the supervision of a licensed attorney. "Legal
12 services" does not include lobbying or government relations
13 services, title insurance agent services, licensing or selling
14 legal software or legal document templates, insurance
15 investigation services or any legal representation involving
16 financial crimes or tax evasion in New Mexico."

17 SECTION 2. EFFECTIVE DATE.--The effective date of the
18 provisions of this act is July 1, 2024.

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