

# ***Tax Matters***

*The Newsletter of the New Mexico Tax Research Institute*

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## **IN THIS “60-DAY SESSION” ISSUE OF *TAX MATTERS*:**

- **Into the Legislative Session-Last Week!!**
- **What Happened This Week**
- **List of Tax Related Introduced Legislation**
- **Don't Forget the Principles!**
- **Knick Knacks**
- **Tax Quotables**

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## INTO THE LEGISLATIVE SESSION



The 2013 Regular Session of the New Mexico Legislature convenes at noon on Tuesday, January 15, and ends at noon on March 16. The deadline for bill introduction was Valentine's Day - Thursday, February 14. Legislation not acted on by the governor is pocket vetoed on April 5. The effective date of legislation that's not a general appropriation bill, a bill carrying an emergency clause or other specified effective date takes

effect on June 14. Being a "long" or 60-day session, non-budgetary legislation and items not related to the budget are fair game and not limited by the call of the Governor as they are in the short 30-day sessions. It is as expected, a very busy session, as high profile, contentious and painfully politicized non-budget policy issues in the wake of a contentious election cycle will likely distract from the state's ongoing fiscal crisis and other core, critical needs.

New Mexico has an uncompensated volunteer legislature comprised of a 70 member House of Representatives and a 42 member Senate. Legislative sessions alternate between 30-day budget related sessions in even numbered years, and unconstrained 60-day sessions in odd-numbered years.

For the fifth year, bills could be "pre-filed", or introduced before the start of the session (meaning we have more bills in the hopper in the beginning of the session than we would without pre-filing). The 2013 bill locator, which is a list of all bills, resolutions, and memorials introduced in the House or Senate, can be found [here](#). The Legislative Council Service maintains copies of bills, compiles locators, and publishes lists of bill conflicts during the course of the session. Most information is available in a timely and electronic fashion from their rather robust website, which can be reached at <http://legis.state.nm.us/lcs/>. The site has become increasingly functional and reliable over time. Information is reasonably up to date and legislation can be easily followed from home or office.

The House passed a \$5.9 billion dollar budget that increases overall state spending by 4.9%. There's not much money left in the budget for taxes (so look to the smaller proposals that erode the tax base (i.e. swiss cheese) and make place your bets. A bigger/costlier "deal" can still be done, but only by utilizing "tighteners" such as narrowing the high wage jobs tax credit, the manufacturing consumables deduction, and/or allowing the legislature to spend up to the December forecast amount (they're currently exercising an abundance of caution and targeting below the official forecast numbers).

## What Happened this Week



Even though the media and lawmakers continue to be distracted by the ongoing circus that continues to be the Secretary of Public Education confirmation hearings in Senate Rules, not to mentioned equal pay for women proposals, minimum wage, and pension fund solvency measures, other work continues to get done. With the deadline to introduce bills long since passed, the number of bills remains unchanged. With 675 House bills introduced, and 641 in

the Senate, we're now tracking 113 tax related bills in total.

Saturday was “good bill day” in the House Taxation and Revenue Committee. That’s when a handful of bills are taken off the table passed on to the floor (or House Appropriations and Finance Committee). It doesn’t guarantee passage, as most are House bills and still have to manage to find their way to the Governor’s desk before time runs out. That said, you’ll never make it to the Governor’s desk if you can’t get off the table in HTRC. We’d mentioned earlier that HTRC has a policy of tabling bills with fiscal impacts until the budget is otherwise determined and decisions are made as to what sort of tax related “spending” measures can be afforded. Look for a few more to come off the table this afternoon. These of course are in addition to the bills that have already managed to get out of Senate Finance and House Taxation and Revenue (see table last week). Below is the list of tax bills taken off the table and passed out of the HTRC Saturday.

### Tax Proposals Passed out of the House Taxation and Revenue Committee Saturday

Bill Number/ Sponsor:	Title: Link to bill language: Description	Assignments- Location:
HB 29 White/Cisneros	<b>Aircraft Repair Station Sales Gross Receipts:</b> <a href="#">HB 29</a> Expands an existing deduction to provide a deduction for retail sales of aircraft parts and services by FAA certified providers.	HBIC/HTRC/ HAFC-HBIC- DP-HTRC- DP
HB 128 Salazar	<b>Solar Facility Gross Receipts Definitions:</b> <a href="#">HB 128</a> Expands the Advanced Energy Deduction to include household generation by removing the requirement that qualifying solar photovoltaic and thermal electric generating facilities have the capacity to produce 1 megawatt or more of electricity.	HENRC/HTRC/ C/HAFC- HENRC-DP- HTRC-DP
HB 223 Larranaga	<b>U.S. Dept. of Defense Gross Receipts:</b> <a href="#">HB 223</a> Creates a ten year gross receipts tax deduction for receipts from services sold to the Department of Defense related to directed energy or satellites.	HBIC/HTRC- HBIC- DP- HTRC-DP
HB 298 Taylor	<b>Cultural Property Preservation Tax Credit:</b> <a href="#">HB 298</a> Expands the present law personal and corporate income tax credits to include as eligible properties those that subject to the Main Street Act or otherwise or otherwise found to be subject to the rule of the main street revolving loan committee to merit preservation pursuant to the Main Street Revolving Loan Act.	HTRC/HAFC -DP-HAFC
HB 505 Irwin	<b>Small Winegrower Volume Limit &amp; Tax:</b> <a href="#">HB 505</a> Expands the liquor tax benefit for winegrowers by expanding the definition of “small winegrower” to mean a person who produces fewer	HBIC/HTRC/ HAFC- HTRC-DP-

	than 1.5 million liters of wine per year, rather than the present law 950 thousand liters. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	HTRC-DP
HB 596 Maestas	<b>Latin American Trade Tax Credits: <a href="#">HB 596</a></b> Creates a non-refundable personal and corporate income tax credit in the amount of \$5000 for companies that export more than 20% of its goods or services produced in NM to persons in Latin America, for tax year 2014 through 2018.	HBIC/HTRC- HBIC-DP- HTRC
SB 4 Cisneros	<b>Dialysis Facility Gross Receipts: <a href="#">SB 4</a></b> Adds dialysis centers to the laundry list of “qualified practitioners” eligible for the deduction for the sale of services to Medicare. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC-DP- SFC-DP/a- fl/a_Passed/S- HHGIC/HTR C-HHGIC- DP-HTRC- DP
SB 116 Smith	<b>Liquor Tax Small Winegrower Volume Limit: <a href="#">SB 116</a></b> Expands the liquor tax benefit for winegrowers by expanding the definition of “small winegrower” to mean a person who produces fewer than 1.5 million liters of wine per year, rather than the present law 950 thousand liters. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC-DP- SFC-DP/a- Passed/S- HTRC-DP

Also of interest are the proposals we believe were used in the budget assumptions around House Bill 2. If you’re handicapping what the leadership is assuming what will pass, we’ll put our money on the following. It’s a bit interesting to compare the following table to the one above – there is commonality, but they’re not the same.

#### Proposals Used for Budget Purposes/HB2

Bill Number/ Sponsor:	Title: Link to bill language: Description	Assignments- Location:
HB 120 Lundstrom	<b>Locomotive Fuel Gross Receipts: <a href="#">HB 120</a></b> Reduces the infrastructure investment necessary, after July 1, 2012 to qualify for the locomotive fuel deduction by fifty percent, from \$100 million to \$50 million. Also adds an NTTC requirement.	HTPWC/HTR C/HAFC- HTPWC-DP- HTRC-DP- HAFC-DP- Passed/H- SCORC/SFC- SCORC-DP- SFC
HB 172 Trujillo	<b>Limit Tax Credit Paid to Another State: <a href="#">HB 172</a></b> In the personal income tax, limits the amount of credit available for taxes paid to another state, to what the NM would have received (present law is allows a credit up to a fixed 5.5% in old pre-tax rate reduction statute)	HTRC/HAFC -HTRC-DP- HAFC-DP- Passed/H-

		SCORC/SFC- SCORC-DP- SFC
HB 235	<b>Border Zone Company Gross Receipts: <a href="#">HB 235</a></b>	
HB 328 Gonzales	<b>School Bus Fuel Gross Receipts: <a href="#">HB 328</a></b> Provides an exemption from the gross receipts and compensating tax for the receipts/use of “fuel” for school buses.	HTPWC/HTR C/-HTPWC- DP-HTRC- DP/a- Passed/H-SFC
SB 3 Cisneros	<b>Hydrogen Fuel Production Tax Credit <a href="#">SB 3</a></b> Provides a corporate income tax credit in a amount equal to the cost of generating hydrogen, not to exceed \$1/kg for the first 4M kg, for taxpayers that hold title to a qualified hydrogen fuel or hydrogen resource generator that first produced and sold hydrogen on or before 1/1/2019.	SCORC/SFC- SCORC-DP- SFC-DP/a- fl/a_Passed/S- HBIC/HTRC- HBIC-DP- HTRC-DP
SB 4 Cisneros	<b>Dialysis Facility Gross Receipts: <a href="#">SB 4</a></b> Adds dialysis centers to the laundry list of “qualified practitioners” eligible for the deduction for the sale of services to Medicare. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC-DP- SFC-DP/a- fl/a_Passed/S- HHGIC/HTR C-HHGIC-DP
SB14 Wirth	<b>Extend Sustainable Building Tax Credit: <a href="#">SB 14</a></b> Extends the present law Sustainable Building Tax Credit (personal and corporate income tax), to 12/31/2023 (the credit is currently set to expire 12/31/13).	SCORC/SFC- SCORC- DP/a-SFC
SB 81 Beffort	<b>Liquor Tax Microbrew Volume Limit: <a href="#">SB 81</a></b> Expands the liquor tax benefit for microbreweries by expanding the definition of “microbreweries” to mean a person who produces fewer than 15 thousand barrels of beer per year, rather than the present law 5 thousand. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC-DP- SFC-DP/a- fl/a-Passed/S- HBIC/HTRC/ HBIC
SB 116 Smith	<b>Liquor Tax Small Winegrower Volume Limit: <a href="#">SB 116</a></b> Expands the liquor tax benefit for winegrowers by expanding the definition of “small winegrower” to mean a person who produces fewer than 1.5 million liters of wine per year, rather than the present law 950 thousand liters. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC-DP- SFC-DP/a- Passed/S- HTRC-DP
SB 167 Sanchez	<b>Rural Health Tax Credit For Social Workers: <a href="#">SB 167</a></b> Add clinical social workers with master’s and doctoral degrees to the list of those eligible for the \$3,000 and \$5,000 credits, respectively.	SCORC/SFC- SCORC-DP- SFC
SB 264 Griego	<b>Plug-in Electric Vehicle Tax Exemption: <a href="#">SB 264</a></b> Provides exemptions from the gross receipts, compensating, and motor vehicle excise tax for plug-in electric vehicles. Also broadens the	SCORC/SFC- SCORC-DP- SFC-DNP-

	eligibility criteria for the Alternative Energy Product Manufacturers Tax Credit to include plug-in electric vehicles. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	CS/DP- Passed/S- HBIC/HTRC- HBIC
SB 265 Griego	<b>Live Horse Racing Expense Gaming Tax Credit: <a href="#">SB 265</a></b> Provides a \$20K/day gaming tax credit for gaming licensees that are racetracks that conduct live horse racing for at least 17 days per year. The credit cannot exceed half of the taxpayer's annual gaming tax liability.	SCORC/SFC- SCORC- DNP-CS/DP- SFC-DNP- CS/DP
SB 269 Papen	<b>Durable Medical Equipment Gross Receipts: <a href="#">SB 269</a></b> Expands the current gross receipts tax deduction for the sale of prescription drugs to include the sale or lease of prescribed durable medical equipment and supplies. It requires special/separate reporting on the part of taxpayers and the TRD, and is effective until July 1, 2023. Taxpayers may not take the deduction if they don't participate in the Medicaid program or received less than 90% of their revenue from the sale or lease of the goods/services made deductible. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC-DP- SFC-DP/a- Passed/S- HTRC-HTRC
SB 343 O'Neill	<b>Opioid Treatment Income Tax Credit: <a href="#">SB 343</a></b> Creates a personal income tax credit in an amount up to \$6000 per year for the provision of buprenorphine replacement therapy.. Applicants are approved y the Board of Pharmacy and the credit is capped at \$2M/yr. and the practitioner is not excluded from eligibility for the Rural Healthcare Practitioner Tax Credit	SCORC/SFC- SCORC-DP- SFC

### ***Corporate Taxes Still Getting Lots of Attention***



There's been more corporate tax proposals this year than we've seen in recent years, and they come in varying forms and flavors – from proposals to lower the rate, to single sales factor elections, to NOL extension, or mandate combined reporting, adopt market based sourcing, and to provide a deduction for foreign source dividends. Most of the corporate income tax related proposals in the Senate were heard in the Senate Corporations and Transportation

Committee on Saturday. Without exception they were given “no recommendation”, including Senator Wirth's combined reporting proposal in his [SB 13](#). It was amended to look like his proposal last year, targeting “big box” retailers only.

Single weighted sales factor proposals ranging from the least expensive (Sen. Sapien's single beneficiary proposal in his [SB 251](#)) to the broadest and most expensive (Sen Munoz proposal elective single sales factor for all and rate reduction to 4.9% in his [SB 277](#)) were moved on, as was Ivey-Soto's manufacturing only single sales factor election (combined with narrowing of the High Wage Jobs Tax Credit (“HWJTC”) and the manufacturing consumables GRT deduction) in his [SB 545](#). Because of fiscal impacts, some efforts focusing on single weighted sales for manufacturers have begun inserting a reference to the NAICS manufacturing definition in an effort to appease the fiscal analysts. However there are lingering questions as to whether such an

approach is constitutional (drafting by reference generally isn't: see *Art. 4 Sec. 18*), and how such a significant difference in fiscal impact from the NAICS definition and present law can be explained. Regarding the HWJTC, there's still debate and discussion regarding whether changes should be retroactive, how they would be administered, their fairness and legality. Senator Keller jumped into the game with another proposal that lowers the rate, provides for a single sales factor election for manufacturers, narrows the HWJTC, limits the present law (and phasing-in) GRT consumables deduction to 50%, and requires combined reporting for certain retailers (it's been added to the table of corporate tax related proposals (see below)).

Since the Senate Corporations and Transportation Committee held its final meeting Sunday, it appears Senator Wirth's market-based sourcing proposal ([SB 549](#)) apparently won't get a committee hearing this year. There's always next year for more corporate tax conversations...

*[NMTRI note: conversations amongst the relevant government officials were held this weekend. Whether an acceptable "deal" can be done should become apparent quite soon – today perhaps – when several corporate bills are scheduled for hearing in the Senate Finance Committee. Any "deal" will likely include narrowing the HWJTC and the phasing-in manufacturing consumables GRT deduction with some corporate reductions – be it through rate reduction and/or rate reductions. Regarding the former, they need to be done but the devil is in the details in terms of how much is saved and who gets carved out. Implicated taxpayers have already made noise. On the latter, rate reductions that leave NM measurably above the regional average shouldn't be bothered with as it won't even create a positive perception, much less offer any tangible inducement for investment. Last week's amendment to the combined reporting proposal is unfortunate in that it's arbitrary, unprecedented, preserves uncertainty, and will make New Mexico appear somewhat silly from a national tax perspective – not that we don't already. We should go all in or not at all. Interesting to note the Administration expressed a willingness to discuss mandatory combined filing, but vetoed the narrower proposal that is floating around now, last year. The broadest corporate reduction proposal is simply too expensive, whereas the narrowest is too much so (while still managing to be costly), applying to only one existing taxpayer, maybe, and represents a hard slap to the face of the economic developers and business community championing the single sales factor option as an economic development tool.*

*If predictions are in order, we'd suggest getting used to disappointment – as more often than not with the exception of a few lawmakers buddies, the State and its citizens are always handed something other than what they ask for or need, something that doesn't improve our overall condition, and something we'll be told to like once victory is declared. Why do we make such a cynical comment – because that's how it almost always turns out.]*

## Corporate Income Tax Proposals (not including tax credits that can be applied to CIT)

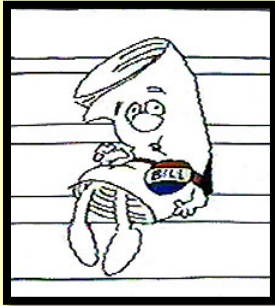
Bill #	Sponsor	Rate Reduction	Changes Filing Group	Changes Factor Apportionment	Changes Throwback Rule	Changes computation of income/expense	Includes Revenue Offsets
HB 182	Strickler	X					
HB 293	Dodge					X	
HB 369	Taylor	X	X	X	X	X	X
HB 507	Jim Trujillo			X	X		
SB13	Wirth	X	X				
SB 59	Cisneros			X			X
SB 251	Sapien			X			
SB 277	Munoz	X		X	X		
SB 319	Padilla/Rehm			X			
SB 368	Sharer	X	X	X	X	X	X
SB 508	Campos			X	X		
SB 538	Smith	X					X
SB 545	Ivey-Soto			X	X		X
SB 549	Wirth					X	
SB 560	Clemente Sanchez					X	
SB 568	Munoz					X	
SB 639	Keller	X	X	X	X		X

### Thanks for Reading

Join us weekly through the session as we try to provide balanced policy analysis, commentary and discussions of the tax and budget proposals that implicate tax policy in New Mexico.



**Bills with significant tax or revenue implications introduced in 2013 Legislative Session:**



Note – in the table below, if no effective date is mentioned, the bill lacks one and would take effect upon enactment, June 14, 2013. Effective date for GRT bills is July 1, 2013 unless otherwise noted. Income Tax bills are effective tax years beginning on or after January 1, 2014 unless otherwise noted. “TYBA” = Tax years beginning on or after. Other notes: “CS” indicates committee substitute; “a” indicates amended

<b>Bill Number/ Sponsor:</b>	<b>Title: Link to bill language: Description</b>	<b>Assignments- Location:</b>
HB 15 Anderson	<b>Armed Forces Retainer Pay Tax Credit <a href="#">HB 15</a></b> Provides a non-refundable \$1000 credit against income tax for armed forces retirees. The credit phased in over 4 years in 25% increments.	HTRC/HAFC -HTRC
HB 24 JE Smith/Keller	<b>College Endowment Contribution Gross Receipts: <a href="#">HB 24</a></b> Creates a gross receipts tax credit in an amount equal to 50% of contributions made to endowment funds of NM four year educational institutions that promote commercialization of licensed technology conceived in NM 4-yr public post secondary institutions, or federal scientific and engineering laboratory or test facility located in NM. The credit cannot exceed \$500k/individual/year and the program is capped at \$2M/year.	HEC/HTRC/ HAFC-HEC- DNP-CS/DP- HTRC
HB 29 White/Cisneros	<b>Aircraft Repair Station Sales Gross Receipts: <a href="#">HB 29</a></b> Expands an existing deduction to provide a deduction for retail sales of aircraft parts and services by FAA certified providers.	HBIC/HTRC/ HAFC-HBIC- DP-HTRC- DP
HB 37 R. Martinez	<b>Annual Delinquent Property Tax Sales: <a href="#">HB 37</a></b> Requires the TRD to conduct delinquent property sales at least once a calendar year in counties in which properties on the delinquent property list are located. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	HJC/HTRC/H AFC-HJC- DP/a-HTRC- DP/a-HAFC- w/drn- Passed/H- SCORC/SJC- SCORC-DP- SJC
HB 81 Larranaga	<b>Motor Vehicle Tax to Road fund &amp; Requirements: <a href="#">HB 81</a></b> Provides for a one-time \$25 million distribution of motor vehicle excise tax to the Road Fund. It also distributes \$25 million from the Road Fund to the Department of Transportation for its major investment program.	HTPWC/HTR C/HAFC- HHGIC-DP/a- HTRC
HB 99 Trujillo	<b>Durable Medical Equipment Gross Receipts: <a href="#">HB 99</a></b> Expands the current gross receipts tax deduction for the sale of prescription drugs to include the sale or lease of prescribed durable medical equipment and supplies. It requires special/separate reporting on	HHGIC/HTR C/HAFC- HHGIC-DP/a- HTRC

	the part of taxpayers and the TRD, and is effective until July 1, 2023. Taxpayers may not take the deduction if they don't participate in the Medicaid program or received less than 90% of their revenue from the sale or lease of the goods/services made deductible. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	
HB 120 Lundstrom	<b>Locomotive Fuel Gross Receipts: <a href="#">HB 120</a></b> Reduces the infrastructure investment necessary, after July 1, 2012 to qualify for the locomotive fuel deduction by fifty percent, from \$100 million to \$50 million. Also adds an NTTC requirement.	HTPWC/HTRC/HAFC-HTPWC-DP-HTRC-DP-HAFC-DP-Passed/H-SCORC/SFC-SCORC-DP-SFC
HB 128 Salazar	<b>Solar Facility Gross Receipts Definitions: <a href="#">HB 128</a></b> Expands the Advanced Energy Deduction to include household generation by removing the requirement that qualifying solar photovoltaic and thermal electric generating facilities have the capacity to produce 1 megawatt or more of electricity.	HENRC/HTRC/HAFC-HENRC-DP-HTRC-DP-House Floor
HB 135 Egolf	<b>Energy Efficient Home Purchase Tax Credit: <a href="#">HB 135</a></b> Creates a refundable personal income tax credit in the amount of \$4K, \$6K, or \$8K, for the purchase of an energy home, depending on the level of energy efficiency.	HENRC/HTRC/HAFC-HENRC-DP-HTRC
HB 172 Trujillo	<b>Limit Tax Credit Paid to Another State: <a href="#">HB 172</a></b> In the personal income tax, limits the amount of credit available for taxes paid to another state, to what the NM would have received (present law is allows a credit up to a fixed 5.5% in old pre-tax rate reduction statute)	HTRC/HAFC-HTRC-DP-HAFC-DP-Passed/H-SCORC/SFC-SCORC-DP-SFC
HB 153 Gonzales	<b>Dialysis Facility Gross Receipts: <a href="#">HB 153</a></b> Adds dialysis centers to the laundry list of "qualified practitioners" eligible for the deduction for the sale of services to Medicare. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	HHGIC/HTRC/HAFC-HHGIC-DP-HTRC
HB 182 Strickler	<b>Decrease Certain Corporate Income Tax Rates: <a href="#">HB 182</a></b> Alters and collapses current corporate income tax rates/brackets to provide for a 4.8% rate on table income not in excess of \$500K same as present law), and 4.9% on taxable income above \$500K)	HTRC/HAFC-HTRC
HB 212 Sandoval	<b>Allow Counties to Impose Local Liquor Tax: <a href="#">HB 212</a></b> Authorizes counties and tribes to impose an additional liquor tax by ordinance, for four years with voter approval, for the purpose of preventing and treating alcoholism.	HJC/HTRC-HJC-DNP-CS/DP-HTRC
HB 223 Larranaga	<b>U.S. Dept. of Defense Gross Receipts: <a href="#">HB 223</a></b> Creates a ten year gross receipts tax deduction for receipts from services sold to the Department of Defense related to directed energy or satellites.	HBIC/HTRC-HBIC- DP-HTRC-DP
HB 237 R. Martinez	<b>Chile Production Gross Receipts: <a href="#">HB 237</a></b> Creates a new gross receipts tax deduction for the sale of equipment	HAGC/HTRC/HAFC-

	related to chile processing or production. The deduction requires an NTTC and provide for a certificate of authority. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	HAGC-DP-HTRC
HB 248 Trujillo	<b>Child Daycare Gross Receipts: <a href="#">HB 248</a></b> Provides a gross receipts tax deduction for fees paid by the state for providing daycare services to certain qualifying households. The deduction requires separate reporting on the part of the taxpayer, special reporting on the part of the department, and is effective until July 1, 2021.	HTRC/HAFC-HTRC
HB 293 Dodge	<b>Tax Net Operating Loss Carryover: <a href="#">HB 293</a></b> Provides for an increase in the number of years a net operating loss for corporate income tax may be carried forward from 5 to 15 years. The change is only effective for losses generated in tax years beginning on or after 1/1/2014.	HTRC/HAFC-HTRC
HB 294 Pacheco	<b>5-Year Senior Property Tax Freeze: <a href="#">HB 294</a></b> Provides that that limitation on residential property value increases provided to those 65 and above, be privy to the limitations for a period of five years rather than have to substantiate eligibility each year.	HTRC/HAFC-HTRC-DP-HAFC-DP-w/drn h/calendar re-ref HTRC-HTRC—DNP-CS/DP-Passed/H-SJC/SFC-SJC
HB 298 Taylor	<b>Cultural Property Preservation Tax Credit: <a href="#">HB 298</a></b> Expands the present law personal and corporate income tax credits to include as eligible properties those that subject to the Main Street Act or otherwise or otherwise found to be subject to the rule of the main street revolving loan committee to merit preservation pursuant to the Main Street Revolving Loan Act.	HTRC/HAFC-DP-HAFC
HB 299 Taylor	<b>Tax Administration Act Changes: <a href="#">HB 299</a></b> Makes several “taxpayer friendly” changes to the Tax Administration Act by providing additional time to file and pay taxes after federal assessments, allow offset of tax paid by others if equitable recoupment standards are met, provide the department more abatement authority before seeking AG approval, limit the scope of the hearings officers duties in an apparent effort to improve independence, and make tax protests due in 90 days rather than allowing 30 days plus retroactive extensions of 60 days.	HBIC/HTRC/HAFC-HBIC-DP/a-HTRC-DP-HAFC-w/drn-Passed/H-SCORC/SFC-SCORC-DP-SFC
HB 315 Strickler	<b>Tax Payment &amp; Manufacturer Gross Receipts: <a href="#">HB 315</a></b> Provides for the TRD and certain GRT taxpayers to enter into agreements whereby the buyer of certain goods or services agrees to pay the GRT on behalf of the seller (legal taxpayer) under the notion that the buyer has knowledge of the subsequent use of goods or services for purposes of compliance with certain GRT deductions (i.e. manufacturing consumables).	HBIC/HTRC/HAFC-HBIC-DP/a-HTRC-DP-HAFC-w/drn-Passed/H-SCORC/SFC-SJC

HB 328 Gonzales	<b>School Bus Fuel Gross Receipts: <a href="#">HB 328</a></b> Provides an exemption from the gross receipts and compensating tax for the receipts/use of “fuel” for school buses.	HTPWC/HTR C/-HTPWC- DP-HTRC- DP/a- Passed/H-SFC
HB 357 Rehm	<b>Reduce Tax Levy for County Hospital Funding: <a href="#">HB 357</a></b> Reduces the mill levy authorized for Class A counties (Bernalillo) for operating and maintaining county hospitals over time to 10% of the mill rate authorized for 2011 in 2016.	HHGIC/HTR C/-HHGIC
HB 369 Taylor	<b>Reform Tax Code: <a href="#">HB 369</a></b> Makes massive changes to the New Mexico tax structure by repealing the personal and corporate income taxes, the estate tax, the railroad car company tax, motor vehicle excise tax, and leased vehicle gross receipts tax. It expands the base of the gross receipts tax to essentially replace those taxes with the gross receipts tax by eliminating many exemptions and deduction, lowers the rate of the gross receipts and compensating tax (reduced to 2.125% with up local governments able to impose additional taxes up to 3%).	HBIC/HTRC/ HCPAC/HTP WC/HENRC/ HAFC-HBIC- w/o rec- HTRC-w/o rec HCPAC- w/o rec- HTPWC
HB 375 Sandoval	<b>Expand Health Care Deductions Receipt Types: <a href="#">HB 375</a></b> Adds definitions and adds copayments and deductibles to the laundry list of healthcare receipts deductible in accordance with Section 7-9-93 (note: the underlying services don’t have to be deductible pursuant to 7-9-93 as long as they’re within the scope of the practitioners practice.	HHGIC/HTR C/-HHGIC- DP-HTRC
HB 377 Harper	<b>Tax Growth Control Factor Calculation: <a href="#">HB 377</a></b> Provides for an authorized entity (i.e. county) to otherwise impose a growth factor of something less than “annual implicit price deflator for state and local government purchases” in its yield control formula for purposes of calculating operating mill levies.	HTRC/HAFC -HTRC-DP- HAFC-w/drn- Passed/H- SCORC/SFC- SCORC-DP- SFC
HB 379 Maestas	<b>Film Credit Production Tax Credit Increase: <a href="#">HB 379</a></b> Provides for an additional credit of 5% (for a total of 30%) for certain television series productions that spend over \$500K and film more than six episodes in NM. Also provides for unexpended credit balances, beneath the credit cap of \$50M, be carried over to future years. Also provides for the transferability of the already refundable credit.	HTRC-DNP- CS-DP- Passed/H- SCORC/SFC- SCORC- DP/a-SFC-DP
HB 389 Jim Trujillo	<b>Exempt Certain Estates or Trusts From Tax: <a href="#">HB 389</a></b> For estates and trusts, removes from the definition of “net income”, amounts set aside for distribution to a nonresident individual under the terms of the governing instrument.	HJC/HTRC- HJC-DP/a- HTRC
HB 406 Jeff	<b>Medicaid Beneficiary Gross Receipts: <a href="#">HB 406</a></b> Eliminates the requirement that deductible sales of numerous medical services be sold to the US Gov’t (effectively expanding the deduction to include Medicaid payments which are taxable under present law).	HHGIC/HTR C-HHGIC- DP-HTRC
HB 410 Lundstrom	<b>Motor Tax for Highway Projects &amp; Project Fund: <a href="#">HB 410</a></b> Until 1.1.2028, raises the motor vehicle excise tax from 3% to 4%, and distributes 25% of the new proceeds (the equivalent of the additional 1%)	HTPWC/HTR C-HTPWC- DP-HTRC

	to the major investment highway project fund, which is also created by the proposal.	
HB 427 Martinez	<b>Expand Rural Health Care Tax Credit: <a href="#">HB 427</a></b> Adds occupational therapists, physical therapists, social workers, and speech-language pathologists to the list of healthcare practitioners that are eligible for the \$3000 rural health care practitioner tax credit, adds definitions of the classifications, and inserts a definition for “clinical psychologist” which is eligible for the \$5000 credit in present law.	HHGIC/HTRC- C-HHGIC- DP-HTRC
HB 428 Stewart	<b>Tobacco Products Tax Rate &amp; Distribution: <a href="#">HB 428</a></b> Increases the rate of the tobacco products tax from 25% to 57%, clarifies the definition of “tobacco product”, and creates an additional distribution to the Ben Lujan lung cancer research fund.	HHGIC- HTRC- HHGIC-DP/a- HTRC
HB 490 McCamley	<b>Evaluate Film Production Credit: <a href="#">HB 490</a></b> Appropriates \$50K for the purpose of evaluating the effectiveness of the cap on the film production tax credit.	HTRC/HAFC -HTRC
HB 499 Tripp	<b>New Jobs Income &amp; Corporate Income Tax Credit: <a href="#">HB 499</a></b> Creates a nonrefundable \$1000 personal and corporate income tax credit for qualified employers who hire qualified employees in calendar 2013. The credit program is capped at \$20 million.	HTRC/HAFC -HTRC
HB 505 Irwin	<b>Small Winegrower Volume Limit &amp; Tax: <a href="#">HB 505</a></b> Expands the liquor tax benefit for winegrowers by expanding the definition of “small winegrower” to mean a person who produces fewer than 1.5 million liters of wine per year, rather than the present law 950 thousand liters. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	HBIC/HTRC/ HAFC- HTRC-DP- HTRC-DP
HB 507 Jim Trujillo	<b>Manufacturing Single Sales Factor: <a href="#">HB 507</a></b> Phases in an optional single sales factor apportionment formula for manufacturers over three years, while repealing the present law double weighted sales factor election, changing the definition of manufacturing by pointing to the 2012 NAICS classification, and eliminates the throwback rule for those making the election (which must be taken for three consecutive years before a taxpayer can opt out).	HBIC/HTRC- DP-HTRC
HB 521 Sandoval	<b>Property Tax Valuation Increase Limits: <a href="#">HB 521</a></b> Regarding “tax lightning”, increases the limit on valuation changes from 3% to 5%, and imposes additional overall limits for age and length of ownership in excess of ten and twenty years.	HJC/HTRC/H JC-DP/a- HTRC-DP/a
HB 527 Jim Trujillo	<b>Liquor Tax To Local DWI Grant Fund: <a href="#">HB 527</a></b> Increases the distribution from the liquor excise tax to the local DWI grant fund from the present law 21.5% to 75%.	HBIC/HTRC- HBIC-DNP- CS/DP-HRC- DP/a-w/drn h/calendar- ref-HAFC- HAFC
HB 535 Gonzalez	<b>Lab Partnership With Business Tax Credit: <a href="#">HB 535</a></b> Broadens the scope of small business that can receive qualifying assistance for purposes of the credit to include regional universities, community colleges, and institutions of higher learning, includes	HBIC/HTRC- HBIC

	“facilitating the development and maintenance of professional networks” in the definition of “small business assistance”, requires the funding of network facilitation programs, and increase the credit cap from \$2.4 to \$3.6 million.	
HB 559 Lewis	<b>Small Business Gross Receipts: <a href="#">HB 559</a></b> Through 2017, provides a sliding scale refundable tax credit against the state portion gross receipts for small businesses with ten or fewer employees and with total gross receipts in the previous calendar year of less than \$75,000.	HBIC/HTRC- HBIC-w/o rec-HTRC
HB 561 Dodge	<b>Tax Distribution &amp; Transfer Correction: <a href="#">HB 561</a></b> Clarifies present law rules regarding adjustment to GRT distributions to local governments when prior distributions are subsequently determined to be incorrect for various reasons (i.e., mistakes, refunds, etc.)	HCPAC/HTR C-HCPAC- DP-HTRC
HB 583 Christine Trujillo	<b>Long-Term Care Insurance Tax Credit: <a href="#">HB 583</a></b> For tax years 2014 through 2018, creates a non-refundable personal income tax credit equal to premiums paid for a long-term care insurance policy. The credit cannot be carried forward.	HBIC/HTRC- HBIC-w/o rec/a-HTRC
HB 584 Dodge	<b>Dyed Special Fuel Gross Receipts: <a href="#">HB 584</a></b> Creates a deduction from GRT and compensating tax for the sale of dyed special fuel (diesel).	HTPWC/HTR C-HTPWC
HB 593 Salazar	<b>County Higher Ed Facility Property Tax: <a href="#">HB 593</a></b> Authorizes a class B county to impose a property tax mill levy (voter approved), not to exceed \$1.50/1000 of property value, for purposes of acquiring and constructing/renovating/improving post-secondary four year institution facility.	HEC/HTRC- HEC-DP- HTRC-DP- Passed/H- SEC-DP
HB 596 Maestas	<b>Latin American Trade Tax Credits: <a href="#">HB 596</a></b> Creates a non-refundable personal and corporate income tax credit in the amount of \$5000 for companies that export more than 20% of its goods or services produced in NM to persons in Latin America, for tax year 2014 through 2018.	HBIC/HTRC- HBIC-DP- HTRC
HB 604 Gonzales	<b>Increase Gas &amp; Special Fuels Taxes: <a href="#">HB 604</a></b> Increases the gasoline and special fuels suppliers tax (diesel) from \$.17 and \$.21/gallon, respectively, to \$.22 and \$.26/gallon effective 7/1/2013.	HTPWC/HTR C-HTPWC- DP/a-HTRC
HB 612 Jim Trujillo	<b>Lower Gross Receipts &amp; Phase Out Deductions: <a href="#">HB 612</a></b> Phases out the predominant healthcare deductions (i.e. hospitals, doctors and other healthcare professionals managed care, Medicaid, etc.) and reduces the state GRT and compensating tax rate from 7/1/2015 through 7/1/2019, to 4.5% (from present law 5.125%).	HHGIC/HTR C-HHGIC- DP/a-HTRC
HB 613 Rehm	<b>Collections of Divided Property Taxes: <a href="#">HB 613</a></b> In cases where real property is being combined or divided and there is reasonable cause to believe assessment and collection will be jeopardized, allows county treasurers and assessors to immediately determine property value and provide notice of valuation, determine tax due for the taxable year and proceed with collection, and decline to process a plat pending compliance.	HJC/HTRC- HJC-DP/a- HTRC

HB 616 Egolf	<b>Alternate Fuel Vehicle Tax Credits: <a href="#">HB 616</a></b> Creates a personal and corporate income tax credit in an amount not to exceed 50% of the cost basis of an alternative fuel vehicle or of the purchase price of qualified conversion equipment. The credit is non-refundable but may be carried forward for three years. Also creates a similarly structured credit in an amount equal to 75% of the cost of an alternative fueling station.	HTPWC/HTR C-HTPWC- DP-HTRC
HB 626 Strickler	<b>Special Fuels Gross Receipts: <a href="#">HB 626</a></b> Creates a gasoline, special fuels supplier, and petroleum products loading tax deduction for taxed fuel, and amends the term “taxpayer” to mean persons liable for payment of the three tax programs.	HTPWC/HTR C-HTPWC- w/o rec- HTRC
SB 3 Cisneros	<b>Hydrogen Fuel Production Tax Credit <a href="#">SB 3</a></b> Provides a corporate income tax credit in a amount equal to the cost of generating hydrogen, not to exceed \$1/kg for the first 4M kg, for taxpayers that hold title to a qualified hydrogen fuel or hydrogen resource generator that first produced and sold hydrogen on or before 1/1/2019.	SCORC/SFC- SCORC-DP- SFC-DP/a- fl/a_Passed/S- HBIC/HTRC- HBIC-DP- HTRC-DP
SB 4 Cisneros	<b>Dialysis Facility Gross Receipts: <a href="#">SB 4</a></b> Adds dialysis centers to the laundry list of “qualified practitioners” eligible for the deduction for the sale of services to Medicare. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC-DP- SFC-DP/a- fl/a_Passed/S- HHGIC/HTR C-HHGIC-DP
SB 7 Keller/Varela	<b>Tax Expenditure &amp; Revenue Budget &amp; Reporting: <a href="#">SB 7</a></b> Requires a tax expenditure report be compiled annually, to include complicated reporting requirements for desirable but virtually unachievable outcomes, particularly given resources provided (none). Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC- DNP-CS/DP- SFC-DNP- CS/DP-pl/a- Passed/S- HCPAC/HTR C-HCPAC- DP-HTRC
SB 11 Keller/JE Smith	<b>State Graduate Employment Tax Credit: <a href="#">SB 11</a></b> Creates a non-refundable personal and corporate income tax credit in the amount of \$5000 for hiring New Mexico graduates within 18 months of graduation from a New Mexico institution. The credit cannot be taken in conjunction with the High Wage Jobs Tax Credit, the Rural Jobs Tax Credit, or the Technology Jobs Tax Credit, and cannot be carried forward. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC-DP- SFC
SB13 Wirth	<b>Corporate Income Tax Rates &amp; Reporting: <a href="#">SB 13</a></b> Mandates that all unitary corporations report as a combined group for corporate income tax purposes, but provides an exception – an election to file separately for manufactures. Repeals the option for a new corporation filing/doing business in New Mexico to report on a federal	SCORC/SFC- SCORC- DNP/CS/w/o rec-SFC

	consolidated basis, but preserves the election for existing corporations already filing in that manner. The SCORC amendment limits the scope of the proposal to “big box” retailers with stores having in excess of 30K sq.ft.	
SB14 Wirth	<b>Extend Sustainable Building Tax Credit: <a href="#">SB 14</a></b> Extends the present law Sustainable Building Tax Credit (personal and corporate income tax), to 12/31/2023 (the credit is currently set to expire 12/31/13).	SCORC/SFC- SCORC- DP/a-SFC
SB 29 Keller/Rober to “Bobby” Gonzales	<b>Technology Transfer Gross Receipts: <a href="#">SB 29</a></b> Creates a new gross receipt tax deduction for the sale of tangible personal property that is used in converting scientific and technological advances into marketable goods or services, when the sale is made to a person engaged in the business of transferring technology during the first three years of operation (requires NTTC).	SCORC/SFC- SCORC-DP- SFC
SB 59 Cisneros	<b>Corp. Tax Reporting, Single Sales &amp; Repeals: <a href="#">SB 59</a></b> Mandates combined reporting, repeals: Investment Tax Credit, Technology Jobs Tax Credit, High Wage Jobs Tax Credit, Rural Jobs Tax Credit; and creates tiered single sales factor elections based on qualified investments by manufacturers in a tax year (e.g. \$250M investment in year one would provide a two year single sale factor election for years 2 and 3, a \$500M investment would allow a 4yr election, \$750M a 6yr election, and \$1000M producing an 8yr elections).	SCORC/SFC- SCORC-no rec-SFC
SB 81 Beffort	<b>Liquor Tax Microbrew Volume Limit: <a href="#">SB 81</a></b> Expands the liquor tax benefit for microbreweries by expanding the definition of “microbreweries” to mean a person who produces fewer than 15 thousand barrels of beer per year, rather than the present law 5 thousand. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC-DP- SFC-DP/a- fl/a-Passed/S- HBIC/HTRC/ HBIC
SB 85 Beffort	<b>Out-of-State Purchaser Gross Receipts: <a href="#">SB 85</a></b> Creates a new gross receipts tax deduction (yes, we have an “old” one too) for the sale of services to out-of-state buyers by small businesses.	SCORC/SFC- SCORC-DP- SFC-DP
SB 102 Wirth	<b>Lodgers Tax Act Definitions &amp; Imposition: <a href="#">SB 102</a></b> Expands definitions presumably to circumvent City of Gallup v. Hotels.com and capture gross revenue paid by the buyer to third parties rather than net revenues paid to the lodger within the scope of the Lodgers Tax Act	SCORC/SFC- SCORC
SB 103 Wirth	<b>Sole Member Limited Liability Company Taxes: <a href="#">SB 103</a></b> Provides that SMLLC’s are treated the same as 501(c)(3) owners for purposes of the gross receipts and compensating tax exemptions.	SCORC/SFC- SCORC- DP/a-SFC- Passed/S- HBIC/HTRC- HBIC
SB 109 Candelaria/ Sandoval	<b>Increase Working Families Tax Credit: <a href="#">SB 109</a></b> Increase the state credit amount from 10 to 15% of the federal earned income tax credit (“EITC”)	SPAC/SFC- SPAC-DP- SFC
SB 116 Smith	<b>Liquor Tax Small Winegrower Volume Limit: <a href="#">SB 116</a></b> Expands the liquor tax benefit for winegrowers by expanding the	SCORC/SFC- SCORC-DP-



	definition of “small winegrower” to mean a person who produces fewer than 1.5 million liters of wine per year, rather than the present law 950 thousand liters. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SFC-DP/a- Passed/S- HTRC-DP
SB 117 Munoz	<b>Real Property Sale Affidavits: <a href="#">SB 117</a></b> Eliminates “residential” from the requirement to disclose the terms of real property sales, effectively extending the requirement to commercial property. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SJC- SCORC
SB 126 O’Neill/Mae stas	<b>Upper Tax Bracket For Certain Liabilities: <a href="#">SB 126</a></b> Restores the 8.2% personal income tax bracket for individual making in excess of \$250K, married or head of household making in excess of \$375K, or married filing separate in excess of \$187.5K.	SCORC/SFC- SCORC
SB 129 Munoz	<b>Chile Production Gross Receipts: <a href="#">SB 129</a></b> Creates a new gross receipts tax deduction for the sale of equipment related to chile processing or production. The deduction requires an NTTC and provide for a certificate of authority.	SCORC/SFC- SCORC-DP- SFC
SB 130 Keller/Sando val	<b>Transfer Tax Credits Between Individuals: <a href="#">SB 130</a></b> Adds standard language to several personal and corporate income tax credit programs (Solar Market Development Angel Investment, Rural Healthcare Practitioner, Preservation of Cultural Property, Qualified Business Facility Rehabilitation, Job Mentorship) making them transferable/sellable.	SCORC/SFC- SCORC
SB 160 Ingle	<b>Biodiesel Definitions: <a href="#">SB 160</a></b> Adds definitions of “biodiesel” and “biodiesel blend”, and expands an existing deduction to include “biodiesel”, avoiding the significant potential for multiple taxation of biodiesel blend components.	SCONC/SFC- SCONC- DP/a-SF C- DP-fl/a- Passed/S- HTPWC/HTR C-HTPWC- w/drn-HTRC
SB 167 Sanchez	<b>Rural Health Tax Credit For Social Workers: <a href="#">SB 167</a></b> Add clinical social workers with master’s and doctoral degrees to the list of those eligible for the \$3,000 and \$5,000 credits, respectively.	SCORC/SFC- SCORC-DP- SFC
SB 211 Griego	<b>High-Wage Jobs tax Credit Definitions: <a href="#">SB 211</a></b> Makes changes to eligibility requirements, wage and benefit definitions, and creates a statute of limitations for purposes of taking the credit. Includes an emergency clause. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC- SCORC- DP/a-SFC
SB 251 Sapien	<b>NM Manufacturing Investment Tax Credit: <a href="#">SB 251</a></b> Creates a <u>very</u> narrowly applicable single sales factor option for certain periods of time based on levels of investment.	SCORC/SFC- SCORC-w/o rec-SFC
SB 264 Griego	<b>Plug-in Electric Vehicle Tax Exemption: <a href="#">SB 264</a></b> Provides exemptions from the gross receipts, compensating, and motor vehicle excise tax for plug-in electric vehicles. Also broadens the eligibility criteria for the Alternative Energy Product Manufacturers Tax Credit to include plug-in electric vehicles. Endorsed by the interim	SCORC/SFC- SCORC-DP- SFC-DNP- CS/DP- Passed/S-

	Revenue Stabilization and Tax Policy Committee.	HBIC/HTRC-HBIC
SB 265 Griego	<b>Live Horse Racing Expense Gaming Tax Credit: <a href="#">SB 265</a></b> Provides a \$20K/day gaming tax credit for gaming licensees that are racetracks that conduct live horse racing for at least 17 days per year. The credit cannot exceed half of the taxpayer's annual gaming tax liability.	SCORC/SFC-SCORC-DNP-CS/DP-SFC-DNP-CS/DP
SB 267 Kernan	<b>Orthotic &amp; Prosthetic Care Gross Receipts: <a href="#">SB 267</a></b> Adds orthotists and prosthetists to the list of healthcare practitioners eligible for the \$5K credit for providing compensated services in certain rural areas.	SCORC/SFC-SCORC
SB 269 Papen	<b>Durable Medical Equipment Gross Receipts: <a href="#">SB 269</a></b> Expands the current gross receipts tax deduction for the sale of prescription drugs to include the sale or lease of prescribed durable medical equipment and supplies. It requires special/separate reporting on the part of taxpayers and the TRD, and is effective until July 1, 2023. Taxpayers may not take the deduction if they don't participate in the Medicaid program or received less than 90% of their revenue from the sale or lease of the goods/services made deductible. Endorsed by the interim Revenue Stabilization and Tax Policy Committee.	SCORC/SFC-SCORC-DP-SFC-DP/a-Passed/S-HTRC-HTRC
SB 277 Munoz	<b>Single Sales &amp; Reduce Corporate Sales Tax: <a href="#">SB 277</a></b> Provides for a 3-year phased in reduction of corporate income tax rates to 4.9% in 2016, and for a single sales factor election, also phased-in over 3 years. The throwback rule for those making the election is eliminated, and once the election is made, a taxpayer must continue to apportion income using the single sales factor formula until such time that advance approval to return to the three factor formula is granted by the Secretary of the TRD.	SCORC/SFC-SCORC-no rec-SFC
SB 284 Leavell	<b>Valuation of Renewable Energy Equipment: <a href="#">SB 284</a></b> Defines and provides for the valuation of renewable energy equipment for property tax purposes through 6/2028 to be cost less federal credits with a ten year depreciable life.	SCONC/SCORC/SFC-SCONC-DP-SCORC-DP/a-SFC-DP/a-Passed/S-HENRC/HTRC-HENRC-DP-HTRC
SB 285 Martinez	<b>Local Gov't Higher Ed Facility Property Tax: <a href="#">SB 285</a></b> Authorizes a class B county to impose a property tax mill levy (voter approved), not to exceed \$1.50/1000 of property value, for purposes of acquiring and constructing/renovating/improving post-secondary four year institution facility.	SCORC/SFC-DP-SFC-w/drn-Passed/S-HEC/HAFC/-HEC-DP-HAFC
SB 287 Griego	<b>Locomotive Fuel Gross Receipts: <a href="#">SB 287</a></b> Reduces the infrastructure investment necessary, after July 1, 2012 to	SCORC/SFC-DP-SFC-DP

	qualify for the locomotive fuel deduction by fifty percent, from \$100 million to \$50 million. Also adds an NTTC requirement.	
SB 289 Shendo	<b>5-Year Senior Property Tax Freeze: <a href="#">SB 289</a></b> Provides that that limitation on residential property value increases provided to those 65 and above, be privy to the limitations for a period of five years rather than have to substantiate eligibility each year.	SJC/SFC-SJC -DNP- CS/DP-SFC- DP/a- HHGIC/HTR C-HHGIC- DP-HTRC
SB 293 Padilla	<b>New Business Tax Credit &amp; Assessment: <a href="#">SB 293</a></b> Creates a corporate income tax credit for seven years not to exceed 35% of the increase in state revenue above a base year, however it is calculated as 35% of the corporate tax due in excess of a base year.	SCORC/SFC- SCORC
SB 318 Soules	<b>Sustainable Energy Tech Investment Tax Credit: <a href="#">SB 318</a></b> Similar to the Angel Investment Credit, the proposal creates a corporate and personal income tax credit not to exceed 25% of not more than \$100K for qualified equity investments in small NM companies that engage in qualified R&D for sustainable energy technology or manufacturing.	SCONC/SCO RC/SFC- SCONCw/o rec/a- SCORC-no rec-SFC
SB 319 Padilla/Rehm	<b>Manufacturing Tax Singles Sales Factor: <a href="#">SB 319</a></b> Replaces the present law double weighted sales factor election for manufacturers with a single weighted sales factor election.	SCORC/SFC- SCORC-w/o rec-SFC
SB 343 O'Neill	<b>Opioid Treatment Income Tax Credit: <a href="#">SB 343</a></b> Creates a personal income tax credit in an amount up to \$6000 per year for the provision of buprenorphine replacement therapy.. Applicants are approved y the Board of Pharmacy and the credit is capped at \$2M/yr. and the practitioner is not excluded from eligibility for the Rural Healthcare Practitioner Tax Credit	SCORC/SFC- SCORC-DP- SFC
SB 354 Munoz	<b>U.S. Dept. of Defense Energy Gross Receipts: <a href="#">SB 354</a></b> Similar to a prior year effort, the proposal creates a GRT deduction for ten years, for receipts from the sale of directed energy or satellite related inputs.	SCORC/SFC- SCORC- DP/a-SFC
SB 367 Candelaria	<b>Tax Assessment Hearing Officers: <a href="#">SB 367</a></b> A duplicate of the Revenue Stabilization and Tax Policy Committee proposal that did not get endorsed, the proposal creates the “office of tax protest and hearings”, and administratively attaches the hearing office to the Taxation and Revenue Department (where it currently resides).	SJC/SFC-SJC
SB 368 Sharer	<b>Reform Tax Code: <a href="#">SB 368</a></b> Makes massive changes to the New Mexico tax structure by repealing the personal and corporate income taxes, the estate tax, the railroad car company tax, motor vehicle excise tax, and leased vehicle gross receipts tax. It expands the base of the gross receipts tax to essentially replace those taxes with the gross receipts tax by eliminating many exemptions and deduction, lowers the rate of the gross receipts and compensating tax (reduced to 2.125% with up local governments able to impose additional taxes up to 3%).	SCONC/SCO RC/SPAC/SF C-SCONC w/o rec- SCORC-w/o rec-SPAC- w/o rec-SFC
SB 373	<b>New Markets Income Tax Credit: <a href="#">SB 373</a></b>	SCORC/SFC-

Griego	Provides a 58% personal income tax credit for equity investments in federally qualified community development entities. The credit is capped at \$72,500,000 (for CIT and PIT combined), requires a one-time \$5000 application fee, and is subject to proportional recapture to any federal recapture under IRC §45D.	SCORC-DNP-CS/w/o rec-SFC
SB 387 Leavell	<b>Algae &amp; Geothermal Energy Equipment Valuation: <a href="#">SB 387</a></b> Defines and provides for the valuation of algae and geothermal energy equipment for property tax purposes through 6/2028 to be cost less federal credits with a ten year depreciable life.	SCORC/SCONC-NC/SFC-DP/a-SFC
SB 397 Munoz	<b>Local Liquor Tax Proceed Uses &amp; Rates: <a href="#">SB 397</a></b> Increases the rate of tax that can be imposed (from 5-10%) and effectively directs the proceeds (50%) to fund social detoxification centers.	SPAC/SFC-SPAC-DP-SFC-DNP-CCS/DP-Passed/S-HHGIC/HAF C-HHGIC-DP/a-HAFC
SB 406 Sapien	<b>Divided &amp; Combined Property Tax Collection: <a href="#">SB 406</a></b> In cases where real property is being combined or divided and there is reasonable cause to believe assessment and collection will be jeopardized, allows county treasurers and assessors to immediately determine property value and provide notice of valuation, determine tax due for the taxable year and proceed with collection, and decline to process a plat pending compliance.	SJC/SFC-SJC-DNP-CS/w/o rec-SFC-DP-fl/aa-Passed/S-HJC/HTRC-HJC
SB 426 Lopez	<b>Investment Credit Act Participation: <a href="#">SB 426</a></b> Expands investment credit eligibility to employers who increase the aggregate annual wages paid to all full-time employees in the taxable year by an amount equal to the average of the annual wages and benefits paid to all employees in the prior year.	SCORC/SFC-SCORC
SB 430 Padilla	<b>Property Tax Partial Payment Collection: <a href="#">SB 430</a></b> Regarding delinquent property collections, requires that partial payments and payments made pursuant to installment agreements shall be made to county treasurers as agent for the state.	SPAC/SFC-SPAC
SB 468 Ryan	<b>Film Production Tax Credit Payments: <a href="#">SB 468</a></b> Provides for accelerated payment of two and three year film credit claim payouts with “leftover” money in years when the \$50 million cap is not exceeded.	SCORC/SFC-SCORC-DNP-CS/DP-SFC
SB 502 Keller	<b>Blue Ribbon Tax Reform Commission: <a href="#">SB 502</a></b> Creates a 23 member task force comprised of public and legislative member, to study our current structure and make recommendations for improvements thereto. Appropriate \$250K to fund staff needs and per diem expenses.	SRC/SCORC/SFC-SRC-DNP-CS/DP/a-SFC
SB 508 Campos	<b>Manufacturing Single Sales Tax Factor: <a href="#">SB 508</a></b> Phases in an optional single sales factor apportionment formula for manufacturers over three years, while repealing the present law double	SCORC/SFC-SCORC-w/o rec-SFC

	weighted sales factor election, changing the definition of manufacturing by pointing to the 2012 NAICS classification, and eliminates the throwback rule for those making the election (which must be taken for three consecutive years before a taxpayer can opt out).	
SB 509 Campos	<b>Lab Partnership With Business Tax Credit: <a href="#">SB 509</a></b> Broadens the scope of small business that can receive qualifying assistance for purposes of the credit to include regional universities, community colleges, and institutions of higher learning, includes “facilitating the development and maintenance of professional networks” in the definition of “small business assistance”, requires the funding of network facilitation programs, and increase the credit cap from \$2.4 to \$3.6 million.	SCORC/SFC- SCORC
SB 518 Ingle	<b>Tax Distribution &amp; Transfer Corrections: <a href="#">SB 518</a></b> Creates notification requirements and authority under some situations resulting in net-negative distributions to local governments, funds from the appropriation contingency fund be used, with the approval of the Board of Finance, to be used to offset a portion of the deficit.	SCORC/SFC- SCORC-w/o rec-SFC
SB 527 Smith	<b>Increase &amp; Index Gas &amp; Special Fuels Taxes: <a href="#">SB 527</a></b> After 1/1/2017, phases in gasoline and special fuel taxes (diesel) from the present law \$.17 and \$.21/gallon, respectively, over five years (to \$.27 and \$.31/gallon) and then indexes rate of the taxes to the chained price index for state and local gross investment in highways and streets.	SCORC/SFC- SCORC-w/o rec-SFC
SB 535 Munoz	<b>Energy Education &amp; Marketing Tax Act: <a href="#">SB 535</a></b> Creates a new severance tax on oil and gas in the amount of .0.5% of value (after deductions for transportation and royalties paid to the federal or tribal governments. Half the proceeds are distributed to the lottery scholarship fund, with 25% going to the clean energy grant fund, and the remaining 25% going into the newly created “energy education and grant fund.” The proposal also creates a board which is charged with promoting the importance of oil and gas exploration and industry in NM, promotes energy efficiency, and sound production methods and technologies.	SCORC/SFC- SCORC
SB 538 Smith	<b>Corporate Tax &amp; Manufacturing: <a href="#">SB 538</a></b> Reduces the corporate income tax rate from 7.6% to 7%, tightens eligibility requirements in the High Wage Jobs Tax Credit, and narrows the GRT deduction for consumables used by manufacturers.	SCORC/SFC- SCORC-w/o rec-SFC
SB 539 Smith	<b>Remote Sellers Gross Receipts: <a href="#">SB 539</a></b> Adds to the GRT definition of engaging in business “selling goods or products delivered directly or indirectly to a customer located in New Mexico.	SCORC/SFC- SCORC-w/o rec-SFC
SB 540 Smith	<b>Food &amp; Medical Hold Harmless Provisions: <a href="#">SB 540</a>.</b> Phases out the hold-harmless distribution associated with the food and medical GRT deductions to cities and counties in 10% increments over 10 years. Provides local jurisdiction the authority to not follow most GRT deductions, including the structural sale for resale deductions.	SCORC/SFC- SCORC-w/o rec-SFC
SB 542 Campos	<b>Rural Investment Income Tax Credit: <a href="#">SB 542</a></b> Creates personal and corporate income tax credits, not to exceed	SCORC/SFC- SCORC-w/o

	\$25,000, for investments in businesses with their principal place of business in NM who make under \$5 million in sales and hires 3 or more eligible employees in a year. The credit is non-refundable, has a 3 year carryforward, and is effectively limited in aggregate to \$750K/yr/tax program.	rec-SFC
SB 545 Ivey-Soto	<b>Manufacturing Single Sales Tax Factor: <a href="#">SB 545</a></b> Creates a single-weighted sales factor election for manufacturers, eliminates the throwback rule for those making the election, tightens eligibility requirements in the High Wage Jobs Tax Credit, and narrows the GRT deduction for consumables used by manufacturers.	SCORC/SFC- SCORC-no rec-SFC
SB 549 Wirth	<b>Taxation of Intangible Sales: <a href="#">SB 549</a></b> Eliminates the “greater of cost of performance” rule for purposes of the sales factor for sales other than that of tangible personal property, and replaces them with market based sourcing rules taken from MTC proposed amendments to the Multistate Tax Compact.	SCORC/SFC- SCORC
SB 557 Leavell	<b>Rural Jobs Tax Credit Definitions: <a href="#">SB 557</a></b> Expands credit eligibility to those who would qualify for JTIP funding (as opposed to present law JTIP recipients), and narrows eligibility by limiting the availability of the credit in certain situations such as mergers as reorganizations.	SCORC/SFC- SCORC- DP/a-SFC- DP-Passed/S
SB 560 Clemente Sanchez	<b>Tax Expanded Net Operating Loss Carryover: <a href="#">SB 560</a></b> Provides for an increase in the number of years a net operating loss for corporate income tax may be carried forward from 5 to 15 years. The change is only effective for losses generated in tax years beginning on or after 1/1/2010.	SCORC/SFC- SCORC-no rec-SFC
SB 561 Sapien	<b>Gross Receipts Manufacturing Definitions: <a href="#">SB 561</a></b> Regarding the gross receipts tax deduction for ingredient component parts of manufactured products and consumables, defines “consumed”, creates definition of “manufacturing” for purposes of the section, limits the applicability of deduction for consumables to a “qualified business”, and defines qualified business.	SCORC/SFC- SCORC-w/o rec-SFC
SB 566 Sapien	<b>Efficient Commercial Building Tax Credits: <a href="#">SB 566</a></b> Creates a personal and corporate income tax credit (non-refundable/5 yr carryforward) in the amount of \$1.80 per qualifying square foot for “efficient commercial buildings”, which are those with efficiency measures implemented as part of a plan to reduce energy use by 50% or more. A credit cannot exceed \$5 million in a given tax year.	SCORC/SFC- SCORC-w/o rec-SFC
SB 639 Keller	<b>Public Peace, Health, Safety and Welfare Combined Tax Reporting and Misc. Changes: <a href="#">SB 639</a></b> Creates a single-weighted sales factor election for manufacturers, eliminates the throwback rule for those making the election, tightens eligibility requirements in the High Wage Jobs Tax Credit, limits the GRT deduction for manufacturing consumables to 50%, requires mandatory unitary combined reporting by certain retailers (big box language).	SCORC/SFC- SCORC- DNP-CS- w/o rec-SFC

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## DON'T FORGET THE PRINCIPLES



It's important, particularly when dealing with tough economies, tough decisions, and the emotionally charged subject of taxes, to view the world in the context of principles. Taxes are good in that they raise the money we need to pay for the services we need. They're bad in that they create inefficiencies, distortions, and sometimes inequities. It's a more rationale approach to look at our entire tax system rather than getting lost in the weeds focusing only on a particular rate or some item we choose to tax or not tax. We need to raise the money we need for government (and there's obviously plenty of debate to be had on that subject) while doing the least harm to the economy and to those things we need most (e.g. job creation) while being fair and protecting the most vulnerable in our communities. Accordingly, we've taken the opportunity to reprint our principles of good tax policy here:

State and local taxes should be adequate to provide an appropriate level of those goods and services best provided by the public sector, such as education, public safety, law enforcement, streets and highways, and the courts.

- State and local tax policy should do the least harm to the private economy. Therefore, tax bases should be as broad as possible so that tax rates can be as low as possible in order to raise the necessary revenues.
- State and local tax policy should be fair and equitable towards individuals and businesses similarly situated. Individuals with the same income level should be taxed the same. Businesses engaged in similar commercial activities should be subject to the same level of taxation.
- State and local tax policy should not be costly to administer and should be easily understood by taxpayers so as to minimize taxpayer compliance costs.
- The state and local tax burden should be evaluated on the basis of the impact of all taxes levied on a given taxpayer, not just a single tax or tax rate.
- Deviations from established tax policy in pursuit of economic development, social or other goals should be well-reasoned and pursued only when established tax policies are not significantly undermined and the results of such deviations can subsequently be measured and evaluated.

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## KNICK KNACKS

### Taxation and Revenue Department Proposes New Regulations

The New Mexico Taxation and Revenue Department has proposed new regulation pertaining to manufacturing consumables, oil and gas proceeds withholding, and the film credit. Public hearings will be held on these proposals on April 2 (2:00 p.m.), April 4 (9:30 a.m.), and April 11, 2013, at 9:30 a.m., respectively, in the Secretary's Conference Room No. 3002/3137 of the Taxation and Revenue Department, Joseph M. Montoya Building, 1100 St. Francis Drive, Santa Fe, New Mexico. Comments can be made in writing or in person. The proposed regulations can be found on the Taxation and Revenue Department [here](#).

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## TAX QUOTABLES

“The art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least amount of hissing.”

~*Jean-Baptiste Colbert*

“Taxes are not good things, but if you want services, somebody's got to pay for them so they're a necessary evil.”

~ *Michael Bloomberg*

The term "tax humor" is no doubt an oxymoron to many people; to the more cynical, it is an apt description of the entire tax code.

~*John F. Iekel*

It's tax time. I know this because I'm staring at documents that make no sense to me, no matter how many beers I drink.

~ *Dave Barry*



**COMMENTS:** Your suggestions and comments on this newsletter, the conferences (past or future), the Distinguished Lectures Series, our research or any aspect of NMTRI's operation and programs are welcome. Please send them to [richard.anklam@nmtri.org](mailto:richard.anklam@nmtri.org), call 505-269-6791 or mail them to P.O. Box 91657, Albuquerque, New Mexico 87199-1657. We genuinely solicit your input and thank you for your support.



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"The power to tax involves the power to destroy" - McCulloch v. Maryland, 17 U.S. 316 (1819), Chief Justice John Marshall.

“Taxes are what we pay for civilized society” Campaña General de Tabacos v. Collector, 275 U.S. 87, 100 (1927), Justice Oliver

Wendell Holmes, dissenting.  
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