

Tax Matters

The Newsletter of the New Mexico Tax Research Institute

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IN THIS “LEGISLATIVE SESSION” ISSUE OF *TAX MATTERS*:

- **HOLD THE DATE – NMTRI Annual Tax Policy Conference May 7 and 8 at Sandia Resort and Casino**
- **Into the Legislative Session**
- **List of Tax Related Legislation**
- **Tax Quotable**

HOLD THE DATE AND MARK YOUR CALENDARS NOW – 12TH ANNUAL NMTRI TAX POLICY CONFERENCE IS COMING MAY 7-8!

The TWELTH (can you believe it?) Annual NMTRI Tax Policy Conference and annual members meeting will be held at the Sandia Resort and Casino in Albuquerque May 7-8th. You will be inundated with details shortly! We look forward to seeing you there!

INTO THE LEGISLATIVE SESSION – IT BEGAN TODAY - JANUARY 15, 2015



The 2015 Regular Session of the New Mexico Legislature convened at noon on Tuesday, January 20, and ends at noon (or somewhere thereabouts) on March 21. The deadline for bill introduction is February 19. Legislation not acted on by the governor is pocket vetoed on April 10. 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 19. 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 short 30-day sessions. It is expected to be a very busy session, as high profile and contentious issues in the wake an election cycle that re-installed Governor Martinez, not to mention the significant turnover in the House membership – not to mention the change in the majority status as Republicans, who are now in the majority, have been the minority for over 60 years – may make things harder but more interesting.

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 several years now 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). House members pre-filed 144 bills, while Senate members pre-filed 207 bills (usually you see more bills from House members but the turnover may well account for apparent shift). With the House adding a little than 100 and the Senate a little over 100 bills since this time last week There are presently 364 House and 505 Senate bills introduced thus far. They can and will keep coming – until the 19th that is. The 2015 legislative 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.



This Week's Roundup

Things are continuing to move – although not that quickly yet, as committees continue hearing more and more bills. Of course, we have technical proposals, proposals to raise taxes, and proposals to cut taxes. We also (of course), continue to see proposals for new or expanded GRT deductions. One new (this year) example is a proposal by Rep. Maestas-Barnes to create a tax holiday of sorts for the sale of “water saving tangible personal property” to non-business consumers from March 1- March 8 only (see [HB 301](#)).

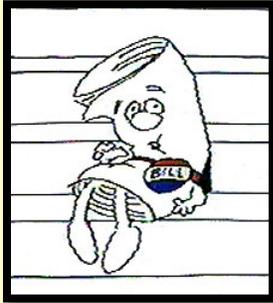
On the administrative side, Senator Cisneros and Rep. Gonzales have both introduced legislation to allow private contractors to perform lodgers' tax audits and allow them to bring actions against taxpayers, eliminating present law language that provides that the attorney general or district attorney bring action (see [SB 464](#) and [HB 326](#)). Another proposal would extend the due date and payment date (from the middle to the end of the month) for corporate income tax filers, as well as the due date for pass through entity reporting, for taxpayers that file electronically (see Rep. Scott's [HB 344](#)).

Interestingly, a pair of Republicans are proposing more taxes and regulation, albeit in the context of “sin” taxes. Rep. and Sen. Ryan have introduced legislation imposing the tobacco products tax (at 25% of value) on the sale of e-cigarette *devices*. The interesting policy conversation on the reasons for punitive tobacco taxes and the uses of the tax proceeds aside, not to mention the fact that an e-cigarette device isn't a tobacco product, it appears the proposal would be the equivalent of taxing pipes and rolling papers rather than the consumed “tobacco” product itself. Since e-cigarette devices are not regulated like real tobacco products by the federal government, evasion via e-commerce, border or tribal shopping would be fairly easily accomplished at present (see [HB 42](#) and [SB 433](#)).

Thanks for Reading!

Join us weekly through the session as we try to provide balanced policy analysis, commentary (occasionally pithy) and discussions of the tax and budget proposals that implicate tax policy in New Mexico. We'll have a lot more of that this year.

Bills with significant tax or revenue implications introduced in 2015 Legislative Session:



Note – in the table below, if no effective date is mentioned, the bill lacks one and would take effect upon enactment, June 19, 2015. Effective date for GRT and other non-income tax bills is July 1, 2015 unless otherwise noted. Income Tax bills are effective tax years beginning on or after January 1, 2016 unless otherwise noted. “TYBA” = Tax years beginning on or after. Other notes: “CS” indicates committee substitute; “a” indicates amended

Bill Number/ Sponsor:	Title: Link to bill language: Description	Assignments- Location:
HB 16 McCamley	Surtax on Certain Corporations HB 21 Imposes a 1% Corporate Income Tax surtax on corporations that pays its chief executive or other senior officers more than 100% of the average annual salary of all other non-upper management employees.	HRPAC/HW MC-HRPAC
HB 18 McCamley	Separate Tax Deductions & Exemptions: HB 18 Creates separate reporting requirements for some of the Gross Receipts and Compensating Tax Act exemptions and deductions	HHC/HEENC /HBEC/HTP WC/HWMC- HHC
HB 21 Caballero	Phased-in Supplemental Income Tax: HB 21 Imposes an additional 0.3% tax on single individuals, married filing separately, and estates and trusts on taxable income in excess of \$100K in 2016. Married filing joint, surviving spouse and heads of households would be taxed at the same rate on taxable income in excess of \$150K. The tax rate would increase to 0.5% for taxable years beginning on or after January 1, 2017, to 0.8% in 2018, and 1.0% in 2019 and the years thereafter.	HRPAC/HW MC-HRPAC
HB 39 J Trujillo	Tax Refunds for Senior Services: HB 39 Provides for a another option designate a portion of a refund: in this case to donate all or a specified portion of one’s personal income tax refund to the North Central New Mexico Economic Development District for purposes of supplementing statewide senior services.	HTPWC/HW MC-HTPWC
HB 40 J Trujillo	Electric Vehicle Income Tax Credit: HB 40 Until January 1, 2021, creates a refundable personal income tax credit for the sale or lease of an electric vehicle in the amount of \$2500. The proposal also creates credit in the amount of \$3K or 30% of actual cost (whichever is less), for the purchase and installation of charging equipment. The program is capped at \$2M/yr. Also creates for the same period a personal and corporate income tax credit for the purchase and installation of electric vehicle charging units in an amount not to exceed \$3K (\$5K if solar powered). The program is capped at \$1M/yr.	HTPWC/HEE NC/HJC- HTPWC
HB 42 Youngblood	Include E-Cigarette in Tobacco Products Act: HB 42 Subjects e-cigarette <i>devices</i> to the Tobacco Products Tax Act.	HHC/HJC- HHC

HB 58 Gonzalez	Increase Gas Tax for State Road Fund: HB 58 By 1 cent per gallon per year over 5 years, increases gasoline and special fuels tax (diesel) by 5 cents per gallon (from \$.17 - .22 and .21-.26/gal, respectively), adjusts/reduces other road fund distributions.	HTPWC/HW MC/HAFC- HTPWC
HB 64 Carl Trujillo	Home Energy & Water Efficiency Tax Credit: HB 64 Until 1/1/2022, creates a one-time personal income tax credit (available 2017/2018 for water or energy efficiency. The credit is a sliding scale of fixed dollar benefit (\$1200-\$4000 for energy; \$200-\$1000 for water) for efficiency improvement percentages of 15-35%+.	HEENC/HW MC-w/o rec- HWMC
HB 67 Carl Trujillo	Property Tax Schedule Change Requests: HB 67 Expands authority of the county treasurers to correct obvious errors made by the assessors (i.e. name, address, description, data entry of values, etc.) <i>Endorsed by the interim Revenue Stabilization and Tax Policy Committee.</i>	HEC/HWMC- HEC-DP- HWMC
HB 70 Williams Stapleton	Extend Solar Market Development Tax Credit: HB 70 Extends the current sunset of the Solar Market Development Tax Credit from 12/31/2016 to 12/31/2020.	HEENC/HW MC-HEENC- DP-HWMC
HB 72 Christine Trujillo	Long-Term Care Insurance Tax Credit: HB 72 Creates a personal income tax credit in an amount equal to premiums paid for a long term care insurance policy. To qualify for the credit, the policy has to be approved through application with the Human Services Department. The credit cannot be transferred or carried over.	HHC- HWMC-HHC
HB 94 Larranaga	U.S. Dept. of Energy Gross Receipts: HB 94 Creates a deduction for the sale of directed energy or satellite related research and development services and related materials to the department of defense.	HGEIC/HW MC-HGEIC- DP-HWMC
HB 110 McCamley	New Tax Bracket & Income Tax Rates: HB 110 Expands current income tax brackets and creates a new 5.9% bracket for taxable incomes in excess of \$60K (single), \$90K (married, HOH), and \$45K (MFS).	HRPAC/HW MC-HRPAC
HB 112 Gonzales	Define Agricultural Property Tax: HB 112 Expands the definition of “agricultural use” for property tax purposes to include land used to raise or keep horses and certain resting of land. <i>Endorsed by the interim Revenue Stabilization and Tax Policy Committee</i>	HAWC/HW MC-HAWC- DP/a-HWMC
HB 137 Garcia	Reduce Income Tax & Create New Brackets: HB 137 Reduces rates in existing income tax brackets and creates three new brackets on higher incomes (with the first new bracket going as high as income of up to \$250K in the case of joint filers) with rates of 4.6, 6, and 7.1% respectively.	HRPAC/HBE C-HRPAC
HB 135 Gallegos	Delinquent Property Tax Electronic Levy: HB 135 Provides authority for electronic levies to be served on financial institutions.	HBEC/HWM C-HBEC
HB 158 McCamley	Gross Receipts Rate & Deductions: HB 158 Reduces the GRT statewide rate by 5.125 to 5.025 and repeals several	HRPAC/HW MC-HRPAC

	GRT deductions including those for stadium surcharge, space vehicle fuel, publications, newspapers, hospitals, software development services, sales to film producers, and the “sales tax holiday”.	
HB 200 Ezzell	Live Horse Racing Gaming Tax Credit: HB 200 Creates a credit against gaming tax in the amount of \$12,500 per racing day for small racinos, and 7,500 for those who paid more than \$10M in gaming tax in the prior year.	HAWC/HW MC-HAWC
HB 204 Carl Trujillo	Liquor Excise Tax Distributions: HB 204 Increases distribution percentage to the local DWI grant fund from 41.5% to 46% until 6/18, after which it returns to 41.5%	HWMC-DP
HB 210 James	Pollution Control Equipment Gross Receipts: HB 210 Creates a GRT exemption for pollution control equipment.	HGEIC/HW MC-HGEIC
HB 216 J Trujillo	Assignment of Film Production Tax Credits: HB 216 Provides for the assignment of film credits to financial institutions provides they have a legal tax filing obligation in New Mexico.	HBEC/HWM C
HB 218 Gallegos/C Sanchez	Delinquent Tax Electronic Levy Warrants: HB 218 Provides authority for electronic levies to be served on financial institutions.	HWMC
HB 219 Zimmerman	Out-of-State Event Gross Receipts: HB 219 Modifies the imposition of the governmental gross receipts tax to clarify the activities it is imposed upon occur in New Mexico.	HGEIC/HW MC-HGEIC
HB 229 Carl Trujillo	Combat Veterans Income Tax Deduction: HB 229 Provides a 100% deduction from income tax for all income earned by a combat veteran.	HGEIC/HW MC-HGEIC
HB 230 Carl Trujillo	Tech Jobs & Research & Development Tax Credit: HB 230 Combines the present law technology jobs tax credit and research and development small business tax credit increases the basic credit percentage from 4 to 5% and limits the carryforward to three years. Also makes portions of the additional credit refundable.	HBEC/HWM C-HBEC- DP/a-HWMC
HB 239 Christine Trujillo	Repeal Capital Gains from Net Income: HB 239 Repeals the 50% deduction from personal income tax for capital gains, effective 2016.	HGEIC/HBE C-HGEIC- w/drn-ref- HWMC/HAF C-HWMC
HB 259 J Trujillo	Certain Physician Gross Receipts: HB 259 Expands the GRT deduction for healthcare practitioners to include deductibles paid to physicians, osteopaths, and podiatrists (only).	HHC/HWMC /HAF-C-HHC
HB 261 Powdrell- Culbert	Angel Investment Credit Minimum Investments: HB 261 Increases the amount of qualifying investment from \$100-250K, increases the annual program cap to \$2M, and extends the credits sunset to 2025.	HWMC/HAF C-HWMC
HB 262 Lundstrom	Gas Tax & Road Projects: HB 262 Rises the gasoline tax from 17 to 19 cents per gallon and then indexes it beginning 2017. Also raises the special fuels tax from 21 to 23 cents per year and indexes future increases. Also reduces distribution percentages to non-road fund beneficiaries.	HTPWC/HW MC/HAF-C- HTPWC

HB 275 Armstrong	Separate Reporting of Tax Expenditures: HB 275 Requires persons who reduce their tax liabilities with “tax expenditures” to separately state each “expenditure” on the person’s return.	HBEC/HWM C-HBEC
HB 279 Strickler	Reduce Corporate Income Tax Rates: HB 279 Changes the final CIT rate for incomes above 500K to 4.9% in tax year 2018 (the rates are currently being phased down to 5.9% in 2018)	HBEC/HWM C-HBEC
HB 286 James	Single Sales Factor For Corporate Income: HB 286 Expands the existing phasing in single sales factor election for manufacturers to include “headquarters” and regional back office operations to qualify for the election.	HBEC/HWM C/HAF- HBEC
HB 293 Maez	Increase Working Families Tax Credit: HB 293 Increases the WFTC from 10% of the Federal EITC to 12.5% in 2015 and 15% in taxable years 2106 and beyond.	HWMC/HAF C-HWMC
HB 296 Maestas- Barnes	Solar Energy Installation Lease Tax Credit: HB 296 Expands the solar market development tax credit to include leases of solar photovoltaic and thermal solar systems, rather than just purchases as provided for in present law.	HEENC/HW MC/HAF- HEENC
HB 301 Maestas- Barnes	Outdoor Water Conservation Gross Receipts: HB 301 Creates a new GRT deduction for the sales “water saving tangible personal property” to non-business consumers. The deduction would only be available from March 1 – March 8.	HAWC/HW MC-HAWC
HB 302 Adkins	Uniformed Service Retiree Tax Deduction: HB 302 Creates a new personal income tax deduction for uniformed military retirement or retainer pay, not to exceed \$50K.	HWMC/HAF C-HWMC
HB 323 Rehm	County Hospital Funding Property Tax Levy: HB 323 Significantly reduces the maximum mill levy rates that can be imposed my Class A counties (Bernalillo) for county hospital funding (UNMH). Provides authority for a voter imposed levy not to exceed 1 mill for up to eight years for the safety net care pool.	HHC/HJC/H WMC-HHC
HB 325 Egolf	Remove Some TV Shows From Film Tax Credit Cap: HB 325 Removes the annual \$50M cap for series productions, leaving it solely applicable to stand-alone productions.	HBEC/HWM C-HBEC
HB 326 Gonzales	Lodger’s Tax Audits: HB 326 Allows municipalities to outsource lodgers’ tax audits and use that contractor to bring actions against taxpayers.	HGEIC/HBE C/HWMC- HGEIC
HB 333 Strickler	Equal Opportunity Scholarship & Tax Credits: HB 333 Creates a 25% personal and corporate income tax credit for contributions to a 501(c)(3) that is a tuition scholarship organization.	HEC/HWMC- HEC
HB 337 Strickler	Rural Infrastructure Tax Credit: HB 337 Creates	HTPWC/HW MC-HTPWC
HB 344 Scott	Change Certain Tax Filing Due Dates: HB 344 Provides for electronic filing of corporate income tax and pass-through entity returns, and extends the return and payment due date to the end of the month for those that do so.	HWMC
HB 358 Maestas-	Small Business Income Tax Deduction: HB 358 Creates a personal income tax deduction for taxpayers with “business	HWMC/HAF C-HWMC

Barnes	income” less than \$350K and for the underlying business(s) employ at least one full time employee. The credit phases down from in 50K increments from 100% for the first \$50K to 10% for the seventh \$50K	
SB 7 Cisneros/Carl Trujillo	Hydrogen Fuel Production Tax Credit: SB 7 Creates a corporate income tax credit in an amount equal to generation costs, but not to exceed \$1/kilogram for the for the first 4 million kilograms of hydrogen sold by a qualified fuel generator or resource generator.	SCORC/SCONC/SFC-SCORC-DP-SCONC
SB 9 Cisneros/Gonzales	Electric Vehicle Income Tax Credit: SB 9 Until January 1, 2021, creates a refundable personal income tax credit for the sale or lease of an electric vehicle in the amount of \$2500. The proposal also creates credit in the amount of \$3K or 30% of actual cost (whichever is less), for the purchase and installation of charging equipment. The program is capped at \$2M/yr. Also creates for the same period a personal and corporate income tax credit for the purchase and installation of electric vehicle charging units in an amount not to exceed \$3K (\$5K if solar powered). The program is capped at \$1M/yr.	SCONC/SCORC/SFC-SCONC-DP-SCORC
SB 56 Wirth	Unitary Corporation Combined Tax Reporting: SB 56 Deletes recent language requiring retailers to file on a unitary combined basis and requires all corporations to that are unitary to file on a unitary combined basis.	SCORC/SFC-SCORC
SB 57 Wirth	Unitary Corp Restaurant Reporting: SB 57 Adds a section similar to the retailer provision requiring corporations that are restaurants and unitary to file corporate income tax on a unitary combined group basis.	SCORC/SFC-SCORC
SB 75 Cotter	Limit Spaceport Bond & Tax Authority: SB 75 Effectively reduces the budget of Spaceport America by limiting the use of 75% of Spaceport GRT revenue for payment of bonds and interest only, limits the ability to issue new bonds, and eliminates the ability to impose Spaceport GRT increments anywhere in NM.	SCORC/SFC-SCORC-DP-SFC
SB 77 Cotter	Income Tax Exemption Requirements: SB 77 Reduces the present law threshold for the exemption from personal income tax for those 100 years of age and over, to 97 years of age and over.	SCORC/SFC-SCORC
SB 99 Cisneros/Gonzales	Cybersecurity Device Gross Receipts: SB 99 Creates a GRT deduction until June 30, 2025 for the sale of cybersecurity device that is a port locking device, a port monitoring device, or port monitoring software. <i>Endorsed by the interim Revenue Stabilization and Tax Policy Committee.</i>	SCORC/SFC-SCORC
SB 101 Neville	Gross Receipts & Hold Harmless Tax Changes: SB 101 Reduces the statewide GRT rate by one quarter percent and authorizes additional rate authority (and in smaller increments) for local governments.	SCORC/SFC-SCORC
SB 104	Installments for Delinquent Property Taxes: SB 104	SCORC/SPA

Sharer	Allows county treasurers to act as agents for the states in collecting delinquent property tax payments from installment agreements. <i>Endorsed by the interim Revenue Stabilization and Tax Policy Committee.</i>	C-SCORC
SB 105 Martinez	County Gross Receipts for School Improvements: SB 105 Allows Class B counties (counties besides the largest five, De Baca, Harding and Los Alamos), with populations less than 45K to impose a 3/4% GRT increment for the purpose of paying penalty and interest on revenue bonds issues for purposes of funding certain public and charter school capital spending. The increment would be subject to voter approval.	SEC/SFC- SEC
SB 112 Cisneros	Define Agricultural Use for Property Tax: SB 112 Expands the definition of “agricultural use” for property tax purposes to include land used to raise or keep horses and certain resting of land. <i>Endorsed by the interim Revenue Stabilization and Tax Policy Committee.</i>	SCORC/SFC- SCORC
SB 114 Griggs	Local Gov’t Special Fuels Taxes: SB 114 Would allow counties that can imposes a municipal gasoline tax to also impose a municipal special fuels (diesel) tax in 1 cent increments up to 2 cents.	SCORC/SFC- SCORC
SB 117 Rodriquez	Sunset County Gross Receipts Safety Pool: SB 117 Eliminates the GRT transfer from counties GRT to the state’s safety net care pool in 12/2018.	SPAC/SFC- SPAC
SB 131 Stewart	Local Gov’t IRB Notices & Impacts: SB 131 Changes and adds notification requirements for Industrial Revenue Bond project proposals to include all property tax beneficiaries (entities with taxing authority), requires taxpayer funded studies of impacts to school districts, and requires payments in lieu of taxes be negotiated to the satisfaction of the school district for those projects deemed to have a “significant impact” on the school district.	SEC/SFC- SEC
SB 201 Sapien	School Bus Fuel Gross Receipts: SB 201 Creates an exemption from gross receipts and compensating tax for fuel used in school buses.	SEC/SFC- SEC
SB 214 Leavell	Motor Vehicle Tax to Road Fund: SB 214 Phases in over four years a redirection of motor vehicle excise tax revenues from the general fund to the road fund.	SCORC/SFC- SCORC
SB 240 Griego	Live Horse Race Gaming Tax Credit: SB 240 Creates a credit against gaming tax in the amount of \$12,500 per racing day for small racinos, and 7,500 for those who paid more than \$10M in gaming tax in the prior year.	SCORC/SFC- SCORC
SB 242 Griego	Renewable Energy Tax Credit Changes: SB 242 Makes changes to rates of credit, amount allowed, other technical changes, adds geothermal as a qualifying generator.	SCONC/SCO RC/SFC- SCONC
SB 261 Candelaria	Increase Working Families Tax Credit: SB 261 Increases the rate of the working families tax credit from 10 to 12.5% of the federal EITC in 2015, and 15% in 2016 and thereafter.	SPAC/SFC- SPAC

SB 265 Munoz	Liquor Tax Proceeds For Homeless: SB 265 Allows local governments to amend or create ordinances that provide no less than \$100K in local liquor excise tax revenues for winter homeless shelters.	SPAC/SFC- SPAC
SB 266 Munoz	Exclude Certain Counties from Hold Harmless: SB 266 Creates an exception to the county hold harmless distribution reductions in the case of counties who have not imposed hold harmless increments and seen tax base growth below 11.7%	SPAC/SFC- SPAC
SB 271 Munoz	Out-of-State Event Gross Receipts: SB271 Modifies the imposition of the governmental gross receipts tax to clarify the activities it is imposed upon occur in New Mexico.	SCORC/SFC- SCORC
SB 274 Smith	Hold Harmless & Fund Deduction Changes: SB 274 Reduces the statewide GRT and compensating tax rate to 5%, increases the working families, repeals the hold harmless distribution, changes the GRT deduction for food to a credit, and increase local government GRT rate authority.	SCORC/SFC- SCORC
SB 279 Wirth	Sustainable Building Tax Credits: SB 279 Increases aggregate cap amounts and changes/adds categories for purposes of the credit. The proposal also reduces the amount of the credit in the residential category and creates a credit with water conservation requirements.	SCORC/SFC- SCORC
SB 280 Wirth	Water Harvesting Income Tax Credit: SB 280 Creates a personal income tax credit for the purchase of qualified water harvesting equipment not to exceed \$5K. The program is capped at \$2M/yr and claims are to be processed when received.	SCONC/SCO RC/SFC- SCONC
SB 281 Wirth	Income for Tax Purposes Act Changes: SB 281 Strikes present law language providing that services and intangibles be sourced on a greater of cost of performance basis and inserts language requiring apportionment on a destination basis, creating a “market based sourcing” rule.	SCORC/SFC- SCORC
SB 302 Munoz	Admin & Accounting Svc Gross Receipts: SB 302 Slightly expands the control test for purposes of the GRT deduction for the sale of administrative services to affiliates allowing a to take the deduction if they are 50% controlled OR owned. Both are required under present law.	SCORC/SFC- no rec – SFC
SB 316 Burt	Uniformed Service Retiree Tax Deduction: SB 316 Creates a personal income tax deduction in an amount not to exceed \$50K for military pension income received by a uniformed service retiree or his/her spouse.	SCORC/SFC- SCORC
SB 332 Cervantes	Border Zone Trade-Support Gross Receipts: SB 332 Resurrects (from 7/15-7/21) the GRT deduction for trade support services that locate open/locate and employee at least two people. A taxpayer may take the deduction for five years.	SCORC/SFC- SCORC
SB 337 Campos	Small Business Investment Tax Credit: SB 337 Creates a personal income tax credit for small business investments not	SCORC/SFC- SCORC

	to exceed \$250K. A taxpayer may make up to five qualified investments in different businesses per yer. The program is capped at \$2M annually, and claims are processed and approved in the order received by the Economic Development Department.	
SB 346 Sharer	Tax Reform: SB 346 Reduces the GRT rate, repeals numerous exemptions and deductions, the compensating tax and many other tax programs.	SCORC/SFC- SCORC
SB 347 Moores	Natural Gas Motor Vehicle Tax Credits: SB 347 Creates and new GRT deduction for the purchase and installation of natural gas equipment on a vehicle. Creates personal and corporate income tax credits for the purchase or lease of qualified natural gas vehicles, and exempts natural gas vehicles from the motor vehicle excise tax.	SCORC/SFC- SCORC
SB 349 Cervantes	Student Loan Interest Tax Deduction: SB 349 Creates a personal income tax deduction not to exceed \$2000 for student loan interest that is deductible for federal income tax purposes.	SCORC/SFC- SCORC
SB 356 Candelaria	Tax Administrative Hearings Office: SB 356 Moves the Taxation and Revenue Hearings Bureau to the Department of Finance and administration. Provides for a bi-partisan nomination process to provide names to the governor, who would appoint the chief hearing officer for a period of six years.	SPAC/SJC- SPAC
SB 373 Candelaria	Student Loan Interest Income Deduction: SB 373 Creates a personal income tax deduction not to exceed \$2000 for student loan interest that is deductible for federal income tax purposes.	SCORC/SFC- SCORC
SB 386 Ingle	Prevent Double Taxing of Certain Gas: SB 386 Expands existing refund authority in the Special Fuels and Gasoline Tax Acts to include situations where rack terminals	SCORC/SFC- SCORC
SB 391 Stewart	Extend Solar Market Development Tax Credit: SB 391 Extends the sunset provision in the solar market development tax credit from 12/2016 to 12/2020.	SCONC/SCO RC/SFC
SB 394 Smith	Increase & Index Gas Tax for Road Fund: SB 394 Rises the gasoline tax from 17 to 19 cents per gallon and then indexes it beginning 2017. Also raises the special fuels tax from 21 to 23 cents per year and indexes future increases. Also reduces distribution percentages to non-road fund beneficiaries.	SCORC/SFC- SCORC
SB 402 Griego	Delete Some Occupancy Tax Exemptions: SB 402 Removes the exception for vendors who don't offer at least three rooms on the premises or three other premises or any combination thereof within the taxing jurisdiction.	SCORC/SFC- SCORC
SB 413 Clemente Sanchez	Angel Investment Minimum & Sunset: SB 413 Extends the 2016 sunset provision to 2025 and increases the number of investments that can be made per year from 2 to 5, increases the maximum amount of investment subject to the credit from \$100K to \$250K, increases the credit carryforward provision from 3 to five years, and, increases the cap on credits that may be awarded from \$750K to \$2M, and eliminates the restrictions on partnership investment.	SCORC/SFC- SCORC

SB 414 Clemente Sanchez	Cultural Property Tax Credit Changes: SB 414 Repeals and re-enacts sections of the property tax credit related to use, cost and benefit (typically 50%).	SCORC/SFC- SCORC
SB 433 Ryan	Include E-Cigarettes in Tobacco Products Act: SB 433 Subjects e-cigarette <i>devices</i> to the Tobacco Products Tax Act.	SPAC/SJC- SPAC
SB 448 Munoz	Military Acquisition Gross Receipts End Dates: SB 448 Removes the 2016 sunset on the present law GRT deduction (7-9-94) from certain military program R&D, tests, and evaluations.	SCORC/SFC- SCORC
SB 464 Cisneros	Lodgers' Tax Audits: SB 464 Allows municipalities to outsource lodgers' tax audits and use that contractor to bring actions against taxpayers.	SCORC/SFC- SCORC
SB 477 Campos	Frontier Community Investment Tax Credit: SB 477 Creates a transferable credit (program capped at \$750K/yr). The total amount of credit that can be claimed by a taxpayer or aggregate members in a partnership is 25% of a qualified investment not to exceed \$25K. The investment must be made in a qualified business that hires three new FTE's. The investments are to be certified by the EDD. Also weakens taxpayer confidentiality provisions.	SCORC/SFC -SCORC
SB 502	U.S. Department of Energy Gross Receipts: SB 502 Creates a deduction for the sale of directed energy or satellite related research and development services and related materials to the department of defense.	SCORC/SFC- SCORC

TAX QUOTABLES

"Tax reform means, 'Don't tax you, don't tax me. Tax that fellow behind the tree.'"

~Russell Long

"All taxes discourage something. Why not discourage bad things like pollution rather than good things like working or investment?"

~Lawrence Summers

"In 1790, the nation which had fought a revolution against taxation *without* representation discovered that some of its citizens weren't much happier about taxation *with* representation."

~Lyndon B. Johnson



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, 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.



"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.

Join NMTRI today!