The Legislature
of the
State of New Mexico

52nd Legislature, 1st Session

LAWS 2015

CHAPTER 38

SENATE BILL 302

Introduced by

SENATOR GEORGE K. MUÑOZ
SENATOR JOHN ARTHUR SMITH
CHAPTER 38

AN ACT

RELATING TO TAXATION; REMOVING A RESTRICTION IN THE
DEFINITION OF "CONTROL" IN A GROSS RECEIPTS TAX DEDUCTION FOR
ADMINISTRATIVE AND ACCOUNTING SERVICES.

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

SECTION 1. Section 7-9-69 NMSA 1978 (being Laws 1969,
Chapter 144, Section 61, as amended) is amended to read:

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

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

B. For the purposes of this section:

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

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

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

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

(b) has a value equal to at least fifty percent of the total equity of that business entity."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2015.
John A. Sanchez, President
Senate

Lenore M. Naranjo, Chief Clerk
Senate

Don L. Tripp, Speaker
House of Representatives

Denise Ramonas, Chief Clerk
House of Representatives

Approved by me this 3rd day of April, 2015

Governor Susana Martinez
State of New Mexico