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HOUSE BILL 155

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

Patricia A. Lundstrom

AN ACT

RELATING TO TAXATION; PROVIDING AN EXCEPTION ON THE REDUCTION
IN HOLD HARMLESS DISTRIBUTIONS FOR CERTAIN COUNTIES.

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

SECTION 1. Section 7-1-6.47 NMSA 1978 (being Laws 2004,
Chapter 116, Section 2, as amended) is amended to read:

"7-1-6.47. DISTRIBUTION TO COUNTIES--OFFSET FOR FOOD
DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES DEDUCTION.--

A. [~~For a county that has not elected to impose a
county hold harmless gross receipts tax through an ordinance
and that has a population of less than forty-eight thousand
according to the most recent federal decennial census~~] A
distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
made to [~~a county~~] the following counties in an amount, subject
to any increase or decrease made pursuant to Section 7-1-6.15

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1 NMSA 1978, equal to the [sum of:

2 ~~(1) the total deductions claimed pursuant to~~
3 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
4 ~~business locations within a municipality in the county~~
5 ~~multiplied by the combined rate of all county local option~~
6 ~~gross receipts taxes in effect for the month that are imposed~~
7 ~~throughout the county;~~

8 ~~(2) the total deductions claimed pursuant to~~
9 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
10 ~~business locations in the county but not within a municipality~~
11 ~~multiplied by the combined rate of all county local option~~
12 ~~gross receipts taxes in effect for the month that are imposed~~
13 ~~in the county area not within a municipality;~~

14 ~~(3) the total deductions claimed pursuant to~~
15 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
16 ~~business locations within a municipality in the county~~
17 ~~multiplied by the combined rate of all county local option~~
18 ~~gross receipts taxes in effect for the month that are imposed~~
19 ~~throughout the county; and~~

20 ~~(4) the total deductions claimed pursuant to~~
21 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
22 ~~business locations in the county but not within a municipality~~
23 ~~multiplied by the combined rate of all county local option~~
24 ~~gross receipts taxes in effect for the month that are imposed~~
25 ~~in the county area not within a municipality] applicable~~

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1 maximum distribution for each county:

2 (1) a county that does not have in effect a
3 county hold harmless gross receipts tax through an ordinance
4 and that has a population of less than forty-eight thousand
5 according to the most recent federal decennial census; and

6 (2) a class B county that does not have in
7 effect a county hold harmless gross receipts tax through an
8 ordinance and that has a population of seventy thousand or more
9 according to the most recent federal decennial census and a
10 property valuation of more than seven hundred thirty million
11 dollars (\$730,000,000) and less than one billion dollars
12 (\$1,000,000,000).

13 B. For a county not described in Subsection A of
14 this section, a distribution pursuant to Section 7-1-6.1 NMSA
15 1978 shall be made to the county in an amount, subject to any
16 increase or decrease made pursuant to Section 7-1-6.15 NMSA
17 1978, equal to the ~~[sum of:~~

18 ~~(1) the total deductions claimed pursuant to~~
19 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
20 ~~business locations within a municipality in the county~~
21 ~~multiplied by the combined rate of all county local option~~
22 ~~gross receipts taxes in effect on January 1, 2007 that are~~
23 ~~imposed throughout the county in] applicable maximum~~
24 distribution for the county multiplied by the following
25 percentages:

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1 [~~a~~] (1) prior to July 1, 2015, one hundred
2 percent;

3 [~~b~~] (2) on or after July 1, 2015 and prior
4 to July 1, 2016, ninety-four percent;

5 [~~c~~] (3) on or after July 1, 2016 and prior
6 to July 1, 2017, eighty-eight percent;

7 [~~d~~] (4) on or after July 1, 2017 and prior
8 to July 1, 2018, eighty-two percent;

9 [~~e~~] (5) on or after July 1, 2018 and prior
10 to July 1, 2019, seventy-six percent;

11 [~~f~~] (6) on or after July 1, 2019 and prior
12 to July 1, 2020, seventy percent;

13 [~~g~~] (7) on or after July 1, 2020 and prior
14 to July 1, 2021, sixty-three percent;

15 [~~h~~] (8) on or after July 1, 2021 and prior
16 to July 1, 2022, fifty-six percent;

17 [~~i~~] (9) on or after July 1, 2022 and prior
18 to July 1, 2023, forty-nine percent;

19 [~~j~~] (10) on or after July 1, 2023 and prior
20 to July 1, 2024, forty-two percent;

21 [~~k~~] (11) on or after July 1, 2024 and prior
22 to July 1, 2025, thirty-five percent;

23 [~~l~~] (12) on or after July 1, 2025 and prior
24 to July 1, 2026, twenty-eight percent;

25 [~~m~~] (13) on or after July 1, 2026 and prior

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1 to July 1, 2027, twenty-one percent;
2 [~~n~~] (14) on or after July 1, 2027 and prior
3 to July 1, 2028, fourteen percent; and
4 [~~e~~] (15) on or after July 1, 2028 and prior
5 to July 1, 2029, seven percent.

6 [~~2~~] ~~the total deductions claimed pursuant to~~
7 ~~Section 7-9-92 NMSA 1978 for the month by taxpayers from~~
8 ~~business locations in the county but not within a municipality~~
9 ~~multiplied by the combined rate of all county local option~~
10 ~~gross receipts taxes in effect on January 1, 2007 that are~~
11 ~~imposed in the county area not within a municipality in the~~
12 ~~following percentages:~~

13 ~~(a) prior to July 1, 2015, one hundred~~
14 ~~percent;~~

15 ~~(b) on or after July 1, 2015 and prior~~
16 ~~to July 1, 2016, ninety-four percent;~~

17 ~~(c) on or after July 1, 2016 and prior~~
18 ~~to July 1, 2017, eighty-eight percent;~~

19 ~~(d) on or after July 1, 2017 and prior~~
20 ~~to July 1, 2018, eighty-two percent;~~

21 ~~(e) on or after July 1, 2018 and prior~~
22 ~~to July 1, 2019, seventy-six percent;~~

23 ~~(f) on or after July 1, 2019 and prior~~
24 ~~to July 1, 2020, seventy percent;~~

25 ~~(g) on or after July 1, 2020 and prior~~

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1 ~~to July 1, 2021, sixty-three percent;~~

2 ~~(h) on or after July 1, 2021 and prior~~
3 ~~to July 1, 2022, fifty-six percent;~~

4 ~~(i) on or after July 1, 2022 and prior~~
5 ~~to July 1, 2023, forty-nine percent;~~

6 ~~(j) on or after July 1, 2023 and prior~~
7 ~~to July 1, 2024, forty-two percent;~~

8 ~~(k) on or after July 1, 2024 and prior~~
9 ~~to July 1, 2025, thirty-five percent;~~

10 ~~(l) on or after July 1, 2025 and prior~~
11 ~~to July 1, 2026, twenty-eight percent;~~

12 ~~(m) on or after July 1, 2026 and prior~~
13 ~~to July 1, 2027, twenty-one percent;~~

14 ~~(n) on or after July 1, 2027 and prior~~
15 ~~to July 1, 2028, fourteen percent; and~~

16 ~~(o) on or after July 1, 2028 and prior~~
17 ~~to July 1, 2029, seven percent;~~

18 ~~(3) the total deductions claimed pursuant to~~
19 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
20 ~~business locations within a municipality in the county~~
21 ~~multiplied by the combined rate of all county local option~~
22 ~~gross receipts taxes in effect on January 1, 2007 that are~~
23 ~~imposed throughout the county in the following percentages:~~

24 ~~(a) prior to July 1, 2015, one hundred~~
25 ~~percent;~~

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1 ~~(b) on or after July 1, 2015 and prior~~
2 ~~to July 1, 2016, ninety-four percent;~~

3 ~~(c) on or after July 1, 2016 and prior~~
4 ~~to July 1, 2017, eighty-eight percent;~~

5 ~~(d) on or after July 1, 2017 and prior~~
6 ~~to July 1, 2018, eighty-two percent;~~

7 ~~(e) on or after July 1, 2018 and prior~~
8 ~~to July 1, 2019, seventy-six percent;~~

9 ~~(f) on or after July 1, 2019 and prior~~
10 ~~to July 1, 2020, seventy percent;~~

11 ~~(g) on or after July 1, 2020 and prior~~
12 ~~to July 1, 2021, sixty-three percent;~~

13 ~~(h) on or after July 1, 2021 and prior~~
14 ~~to July 1, 2022, fifty-six percent;~~

15 ~~(i) on or after July 1, 2022 and prior~~
16 ~~to July 1, 2023, forty-nine percent;~~

17 ~~(j) on or after July 1, 2023 and prior~~
18 ~~to July 1, 2024, forty-two percent;~~

19 ~~(k) on or after July 1, 2024 and prior~~
20 ~~to July 1, 2025, thirty-five percent;~~

21 ~~(l) on or after July 1, 2025 and prior~~
22 ~~to July 1, 2026, twenty-eight percent;~~

23 ~~(m) on or after July 1, 2026 and prior~~
24 ~~to July 1, 2027, twenty-one percent;~~

25 ~~(n) on or after July 1, 2027 and prior~~

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1 ~~to July 1, 2028, fourteen percent; and~~

2 ~~(o) on or after July 1, 2028 and prior~~
3 ~~to July 1, 2029, seven percent; and~~

4 ~~(4) the total deductions claimed pursuant to~~
5 ~~Section 7-9-93 NMSA 1978 for the month by taxpayers from~~
6 ~~business locations in the county but not within a municipality~~
7 ~~multiplied by the combined rate of all county local option~~
8 ~~gross receipts taxes in effect on January 1, 2007 that are~~
9 ~~imposed in the county area not within a municipality in the~~
10 ~~following percentages:~~

11 ~~(a) prior to July 1, 2015, one hundred~~
12 ~~percent;~~

13 ~~(b) on or after July 1, 2015 and prior~~
14 ~~to July 1, 2016, ninety-four percent;~~

15 ~~(c) on or after July 1, 2016 and prior~~
16 ~~to July 1, 2017, eighty-eight percent;~~

17 ~~(d) on or after July 1, 2017 and prior~~
18 ~~to July 1, 2018, eighty-two percent;~~

19 ~~(e) on or after July 1, 2018 and prior~~
20 ~~to July 1, 2019, seventy-six percent;~~

21 ~~(f) on or after July 1, 2019 and prior~~
22 ~~to July 1, 2020, seventy percent;~~

23 ~~(g) on or after July 1, 2020 and prior~~
24 ~~to July 1, 2021, sixty-three percent;~~

25 ~~(h) on or after July 1, 2021 and prior~~

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1 to July 1, 2022, fifty-six percent;

2 (i) on or after July 1, 2022 and prior
3 to July 1, 2023, forty-nine percent;

4 (j) on or after July 1, 2023 and prior
5 to July 1, 2024, forty-two percent;

6 (k) on or after July 1, 2024 and prior
7 to July 1, 2025, thirty-five percent;

8 (l) on or after July 1, 2025 and prior
9 to July 1, 2026, twenty-eight percent;

10 (m) on or after July 1, 2026 and prior
11 to July 1, 2027, twenty-one percent;

12 (n) on or after July 1, 2027 and prior
13 to July 1, 2028, fourteen percent; and

14 (o) on or after July 1, 2028 and prior
15 to July 1, 2029, seven percent.]

16 C. [The] A distribution pursuant to [~~Subsections A~~
17 ~~and B of~~] this section is in lieu of revenue that would have
18 been received by the county but for the deductions provided by
19 Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall
20 be considered gross receipts tax revenue and shall be used by
21 the county in the same manner as gross receipts tax revenue,
22 including payment of gross receipts tax revenue bonds. [A
23 ~~distribution pursuant to this section to a county not described~~
24 ~~in Subsection A of this section or to a county that has imposed~~
25 ~~a gross receipts tax through an ordinance that does not provide~~

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1 ~~a deduction contained in the Gross Receipts and Compensating~~
2 ~~Tax Act shall not be made on or after July 1, 2029.]~~

3 D. If the reductions made by this [2013] 2014 act
4 to the distributions made pursuant to [~~Subsections A and B of~~]
5 this section impair the ability of a county to meet its
6 principal or interest payment obligations for revenue bonds
7 that are outstanding prior to July 1, 2013 and that are secured
8 by the pledge of all or part of the county's revenue from the
9 distribution made pursuant to this section, then the amount
10 distributed pursuant to this section to that county shall be
11 increased by an amount sufficient to meet the required payment;
12 provided that the total amount distributed to that county
13 pursuant to this section does not exceed the amount that would
14 have been due that county pursuant to this section as it was in
15 effect on June 30, [~~2013~~] 2015.

16 E. A distribution pursuant to this section may be
17 adjusted for a distribution made to a tax increment development
18 district with respect to a portion of a gross receipts tax
19 increment dedicated by a county pursuant to the Tax Increment
20 for Development Act.

21 F. For purposes of this section:

22 (1) "maximum distribution" means:

23 (a) for counties that have a population
24 of less than forty-eight thousand according to the most recent
25 federal decennial census, the sum of: 1) the total deductions

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1 claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for
2 the month by taxpayers from business locations within a
3 municipality in the county multiplied by the combined rate of
4 all county local option gross receipts taxes in effect for the
5 month that are imposed throughout the county; and 2) the total
6 deductions claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA
7 1978 for the month by taxpayers from business locations in the
8 county but not within a municipality multiplied by the combined
9 rate of all county local option gross receipts taxes in effect
10 for the month that are imposed in the county area not within a
11 municipality; and

12 (b) for counties that have a population
13 of forty-eight thousand or more according to the most recent
14 federal decennial census, the sum of: 1) the total deductions
15 claimed pursuant to Sections 7-9-92 and 7-9-93 NMSA 1978 for
16 the month by taxpayers from business locations within a
17 municipality in the county multiplied by the combined rate of
18 all county local option gross receipts taxes in effect on
19 January 1, 2007 that are imposed throughout the county; and 2)
20 the total deductions claimed pursuant to Sections 7-9-92 and
21 7-9-93 NMSA 1978 for the month by taxpayers from business
22 locations in the county but not within a municipality
23 multiplied by the combined taxes in effect on January 1, 2007
24 that are imposed in the county area not within a municipality;
25 and

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