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HOUSE BILL 170

**54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

INTRODUCED BY

Doreen Y. Gallegos

AN ACT

RELATING TO TAXATION; EXTENDING THE SUNSET DATE FOR RETAIL SALES MADE BY CERTAIN BUSINESSES ON THE FIRST SATURDAY AFTER THANKSGIVING.

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

SECTION 1. Section 7-9-116 NMSA 1978 (being Laws 2018, Chapter 46, Section 1) is amended to read:

"7-9-116. DEDUCTION--GROSS RECEIPTS TAX--RETAIL SALES BY CERTAIN BUSINESSES.--

A. Prior to July 1, [~~2020~~] 2028, receipts from the sale at retail of the following types of tangible personal property may be deducted if the sales price of the property is less than five hundred dollars (\$500) and:

(1) the sale occurs during the period beginning at 12:01 a.m. on the first Saturday after

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1 Thanksgiving and ending at midnight on the same Saturday;

2 (2) the sale is for:

3 (a) an article of clothing or footwear  
4 designed to be worn on or about the human body;

5 (b) accessories, including jewelry,  
6 handbags, book bags, backpacks, luggage, wallets, watches and  
7 similar items worn or carried on or about the human body,  
8 without regard to whether worn on the body in a manner  
9 characteristic of clothing;

10 (c) sporting goods and camping  
11 equipment;

12 (d) tools used for home improvement,  
13 gardening and automotive maintenance and repair;

14 (e) books, journals, paper, writing  
15 instruments, art supplies, greeting cards and postcards;

16 (f) works of art, including any  
17 painting, drawing, print, photograph, sculpture, pottery or  
18 ceramics, carving, textile, basketry, artifact, natural  
19 specimen, rare book, authors' papers, objects of historical or  
20 technical interest or other article of intrinsic cultural  
21 value;

22 (g) floral arrangements and indoor  
23 plants;

24 (h) cosmetics and personal grooming  
25 items;

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- 1 (i) musical instruments;  
2 (j) cookware and small home appliances  
3 for residential use;  
4 (k) bedding, towels and bath  
5 accessories;  
6 (l) furniture;  
7 (m) a toy or game that is a physical  
8 item, product or object clearly intended and designed to be  
9 used by children or families in play;  
10 (n) a video game or video game console  
11 and any associated accessories for the video game console; or  
12 (o) home electronics such as computers,  
13 phones, tablets, stereo equipment and related electronics  
14 accessories; and  
15 (3) the sale is made by a seller that carries  
16 on a trade or business in New Mexico, maintains its primary  
17 place of business in New Mexico, as determined by the  
18 department, and employed no more than ten employees at any one  
19 time during the previous fiscal year.  
20 B. Receipts for sales made by a business that  
21 operates under a franchise agreement may not be deducted  
22 pursuant to this section.  
23 C. The purpose of the deduction provided by this  
24 section is to increase sales at small local businesses.  
25 D. A taxpayer allowed a deduction pursuant to this

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1 section shall report the amount of the deduction separately in  
2 a manner required by the department.

3 E. The department shall compile an annual report on  
4 the deduction provided by this section that shall include the  
5 number of taxpayers that claimed the deduction, the aggregate  
6 amount of deductions claimed and any other information  
7 necessary to evaluate the effectiveness of the deduction. The  
8 department shall present the annual report to the revenue  
9 stabilization and tax policy committee and the legislative  
10 finance committee with an analysis of the effectiveness and  
11 cost of the deduction and whether the deduction is performing  
12 the purpose for which it was created."