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HOUSE BILL 301

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Sarah Maestas Barnes

AN ACT

RELATING TO TAXATION; PROVIDING A LIMITED-PERIOD DEDUCTION FROM
GROSS RECEIPTS FOR OUTDOOR WATER-CONSERVATION PRODUCTS.

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

SECTION 1. A new section of the Gross Receipts and
Compensating Tax Act is enacted to read:

"~~[NEW MATERIAL]~~ DEDUCTION--GROSS RECEIPTS TAX--SALES OF
WATER-~~SAVING~~ TANGIBLE PERSONAL PROPERTY--LIMITED PERIOD.--

A. Receipts from the sale at retail of water-saving
tangible personal property may be deducted from gross receipts
if the sale occurs during the period beginning at midnight on
March 1 and ending at midnight on March 8.

B. The purpose of the deduction provided by this
section is to mitigate the effects of drought in New Mexico by
creating an incentive for private property owners to reduce

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1 their outdoor water consumption through the use of products
2 designed to decrease water waste.

3 C. A taxpayer allowed a deduction pursuant to this
4 section shall report the amount of the deduction separately in
5 a manner required by the department.

6 D. The department shall compile an annual report on
7 the deduction provided by this section that includes the number
8 of taxpayers that claimed the deduction, the aggregate amount
9 of deductions claimed and any other information necessary to
10 evaluate the effectiveness of the deduction. Beginning in
11 2016, the department shall compile and present the report to
12 the revenue stabilization and tax policy committee and the
13 legislative finance committee with an analysis of the cost and
14 benefit to the state of the deduction.

15 E. For the purposes of this section, "water-saving
16 tangible personal property":

17 (1) means products:

18 (a) intended for use on private, shared
19 or communal property and not intended for business use, trade
20 or resale; and

21 (b) whose use or planting in outdoor
22 residential urban properties may result in: 1) water
23 conservation or ground water retention; 2) water table
24 recharge; or 3) a decrease in ambient air temperature that
25 limits water evaporation; and

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- 1 (2) includes:
- 2 (a) drought-tolerant live plants, turf
- 3 and grass;
- 4 (b) soaker or drip-irrigation hosing;
- 5 (c) moisture controls for sprinkler or
- 6 irrigation systems;
- 7 (d) mulches and soils;
- 8 (e) rain barrels and alternative rain
- 9 and moisture collection systems;
- 10 (f) permeable ground cover surfaces that
- 11 allow water to reach underground basins, aquifers or water
- 12 collection points;
- 13 (g) plant and grass seeds coated with
- 14 water-saving surfactants; and
- 15 (h) water-saving surfactants."

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