

# ***Tax Matters***

*The Newsletter of the New Mexico Tax Research Institute*

Issue No. 2019-06

February 24, 2019

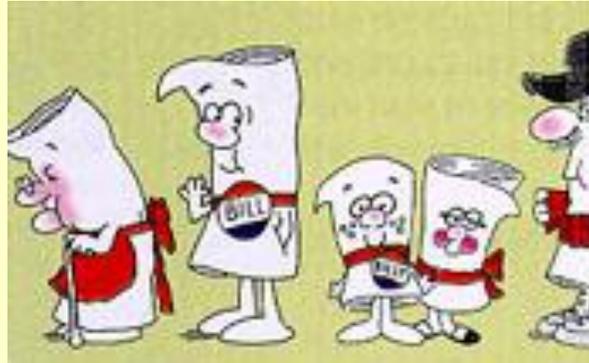
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## **IN THIS “LEGISLATIVE SESSION” ISSUE OF *TAX MATTERS*:**



- **HOLD THE DATE – NMTRI Annual Tax Policy Conference May 2-3 at the Hotel Albuquerque**
- **Into the Legislative Session**
- **Tax-pectations for the Session**
- **List of Tax Related Legislation**
- **Don't Forget the Principles**
- **Knick Knacks**
- **Tax Quotable**

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**HOLD THE DATE AND MARK YOUR CALENDARS NOW –  
16<sup>TH</sup> ANNUAL NMTRI TAX  
POLICY CONFERENCE IS COMING!**



**NEW MEXICO  
TAX RESEARCH  
INSTITUTE**

The Sixteenth (can you believe it?) Annual NMTRI Tax Policy Conference and annual members meeting will be held at the Hotel Albuquerque in Albuquerque May 2-3<sup>rd</sup>. You will be inundated with details shortly, and the registration facility will be open soon! We look forward to seeing you there!

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**INTO THE LEGISLATIVE SESSION – IT BEGAN - JANUARY 15, 2019**



The 2019 Regular Session of the New Mexico Legislature convened at noon on Tuesday, January 15, and ends at noon (or somewhere thereabouts) on March 16. The deadline for bill introduction was February 14. Legislation not acted on by the governor is pocket vetoed on April 5. 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 14.

Being a “long” or 60-day “budget” session, non-budgetary legislation and items not related to the budget are fair game for introduction and are not limited by the call of the Governor. It is an interesting time. There is still talk of tax reform, and the Governor wants to address crime issues, but the fiscal crisis is over for the moment – mostly thanks to very strong oil prices and production in the Permian. So, while there's plenty to fight about and money to fight over, it doesn't appear as tense as some sessions and it's possible they'll quietly fund government and go home, without significant other accomplishment (or damage).

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.

Click [here](#) to see the daily bill locator on the legislative website. We have our own list of introduced tax related legislation in both chambers below.

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 the legislature's website <https://www.nmlegis.gov/>. The site has become increasingly functional and reliable over time. Information is reasonably up to date and legislation can be easily followed from home.



### **Tax-pectations for the Session**

The 60-day legislative session is underway. In addition to a new year, we have a new governor, Michelle Lujan Grisham, and lots of new House members – mostly Democrats following the blue wave that hit many parts of the country in November. The Senate was not up for election, however the Governor appointed Gabriel Ramos to replace Lt. Governor, Howie Morales. Also, Sen. Cisco McSorley resigned recently to become the Director of Probation and Parole Division of the Department of Corrections. He was replaced by the Gubernatorial appointment of former CD1 congressional candidate Antoinette Sedillo Lopez.

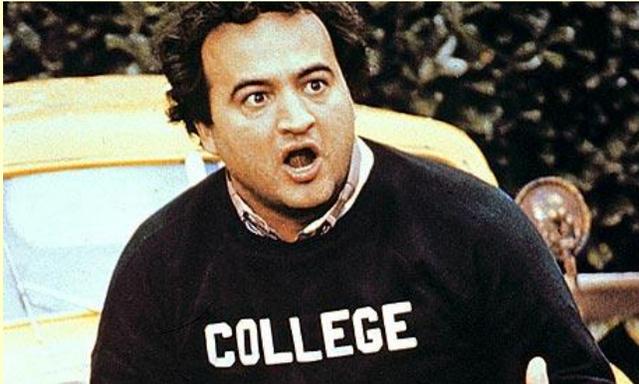
Rep. Brian Egolf remains the top-dog in the House as Speaker, however changes in post-election composition of the House necessitated many changes in House committee chairs. Rep. Jim Trujillo remains House Taxation and Revenue Committee Chair, and Rep. Patricia Lundstrom remains chair of the House Appropriations and Finance Committee. Members voted Rep. Jim Townsend as Minority Leader, with Rep. Rod Martinez remaining as Minority Whip.

The Senate leadership remains as it was, with Sen. Mary Kay Papen as President Pro-Tem, Sen. Wirth as Majority Leader, and Sen. Ingle as Minority Leader. Committee chairs are also as they were, beginning with Sen. John Arthur Smith presiding over the Senate Finance Committee and Sen. Clemente Sanchez at the helm of the Senate Corporations and Transportation Committee.

Although oil prices declined recently and have bounced around as they tend to do, the general fund revenue forecast is still bullish and calls for over \$1.1 billion in “new money” available for appropriation in the upcoming year – a 17% increase over the current. Collections in the prior and current year will also be above forecast, resulting in plenty of money to provide for sufficient reserves and for additional one-time expenditures to restore fund balances, catch up on needs, etc. The December consensus revenue estimate can be found on the LFC website [here](#). You can read the mid-session update [here](#) on the LFC website... it left the revenue forecast from December – and what could be used for purposes of appropriation and budget – unchanged.

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## What Happened this Week



We're roughly five weeks, or more than halfway into a session that started Tuesday, January 15th, and the bill introduction deadline was February 14<sup>th</sup>. The session mercifully ends at noon (or thereabouts) on March 16<sup>th</sup>.

There are now 695 House bills and 675 Senate bills introduced, for a total of 1360 bills, and that doesn't include memorials and resolutions. As tax bills go, we're tracking

60 House and 51 Senate tax related bills, for a total of 111. The total is final as the bill introduction has passed, however the last 36 House bills and 39 Senate bills are what are often referred to as "dummy" bills. They often carry a title of "for the public peace, health, safety, & welfare" and contain little or no substance. They tend to be introduced by leadership and committee chairs on the introduction deadline and can serve as vehicles for legislation after the introduction deadline passes with an amendment or committee substitute.

Bills generally move in order, but additional or fewer committee assignments, sponsor or opposition requests, and political priority can impact the speed of movement. So, it's always interesting to see what's moving where and how fast. Most bills get two committee assignments, and the first committee is usually an easier sell than the second. In the tax world that often means an initial hearing in House Commerce and Economic Development Committee (the committee formerly known as the House Business and Industry Committee) or the Senate Corporations and Transportation Committee. This first committee is often followed by the House Taxation and Revenue Committee and the murkier Senate Finance Committee. In the latter two committees, the focus is more on policy, budget limitations and fiscal impacts. The House Taxation and Revenue has an almost always followed rule of tabling all bills with any fiscal impact until the budget is determined. Also, with some exceptions, House and Senate bills tend to stack up in the other chamber while they're still hearing their own bills and waiting for the other chamber to hear bills they've sent over.

*Wow, that was fast!*

The same two tax bills we mentioned the last couple week having passed both houses and signed by the Governor, are still the only two tax bills that can make that claim. They are: Candy Ezell Spence's Enviro Services Gross Receipts Uses ([HB 257](#)), which would broaden the use of the gross receipts tax increment for municipal environmental services to be applicable to disposal of demolition debris for use in storm water runoff control, and expands the base of those that can impose it to communities with property tax values in 2008 in excess of \$600M versus \$750M; and Sen Sapien's [SB 106](#), which, for purposes of the occupancy tax imposed by municipalities pursuant to the Lodgers Tax Act, eliminates the exclusion vendors who have three or fewer units. We suspect there will be a few more passed by the Legislature next week at this time, although it's hard to say if any will be signed right away.

We have added a couple of House bills that are sitting in the Senate, but no new tax related Senate bills have made it to the House this week. In addition to [HB 163: Tax Deduction for Nonresident Beneficiary](#) - which creates a deduction from trust income for the portion of income set aside for distributions to non-New Mexico beneficiaries; and Chairman Trujillo's [HB 162: Insurance Premiums Tax Provisions](#)- which puts the Insurance premiums Tax – now administered by the Taxation and Revenue Department – we add the Chairman's and Rep. Herrera's [HB 411: Local Gov't Tax Distribution Definitions](#), which amends the definition of “average distribution or transfer amount” to mean the average *monthly* amount distributed to a city or county in the prior 36 months., or the average *monthly* amount distributed in the prior twelve months if the muni or county hasn't had distributions for 26 months or more; and Rep. Harper's [HB 479: De-Earmarking Local Option Gross Receipts](#): which would consolidate certain municipal and county local option gross receipts tax increments, but expands their use to general purpose and attempts to leave the portion subject to voter approval versus not the same. As far as Senate bills in the House, we still have Sen Cisneros' and Rep. Chandler's [SB 11: Gross Receipt for Certain Nonprofit Organizations](#) – which effectively imposes GRT on any nonprofit laboratory prime contractor/operator (and would therefore apply to the new LANL contractor, Triad, if it were to become a 501(c)(3)).

*What happens now?*

With the forecast effectively re-affirmed, the budget bill, otherwise known as [House Bill 2](#), was finalized and passed by the House last week. We thought that we'd see the appearance of the committee substitute for the House tax reform package in [HB 6](#). That hasn't happened. So, tax bills continue to log jam in the House Taxation and Revenue Committee (HTRC), and the Senate Corporation and Transportation Committee (SCORC). It now appears the anxiously awaited committee substitute tax package will be heard, and passed out of committee, tomorrow morning when the committee convenes at 8:30. For those who can't make it, don't forget that committees are webcast on the legislative website, and can be monitored from afar here: <http://sg001-harmony.sliq.net/00293/harmony> Also, the agenda's are posted and often timely and accurate. The HRTC agenda currently reflects HB 6 alone tomorrow, and can be seen here: [https://nmlegis.gov/Committee/Standing\\_Committee?CommitteeCode=HTRC](https://nmlegis.gov/Committee/Standing_Committee?CommitteeCode=HTRC)

Then the road will be paved for “good bill day” to occur: when it's known, given the budget and tax package, how much money may be left in the budget for tax expenditures, and the fortunate few pre-selected proposals are taken off the table and passed out to the floor.

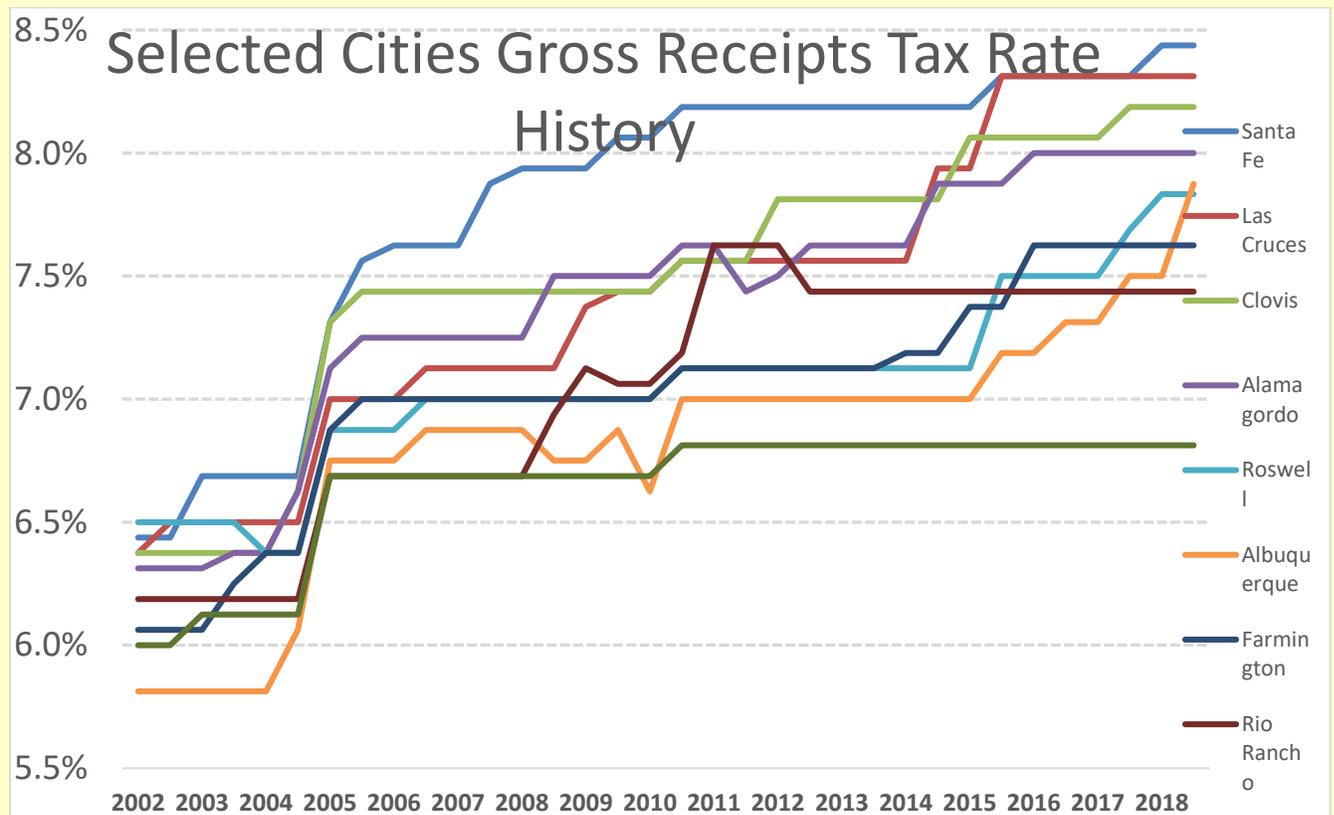
*[NMTRI note: things should really start moving this week. The House tax package committee substitute will be heard tomorrow morning – and likely moved on to the floor. Shortly after, the differences in the House and Senate views of the world will begin to become more apparent. SB 11, the Los Alamos bill, is in the process of being amended on the floor to make it neutral with respect to the treatment of state and federal facilities (see Knick Knacks item below: recent SCOTUS unanimous decision in the matter of Dawson v. Steager, where it was made abundantly clear that states still can't discriminate against the federal government). So it's good to reduce the chance of any potential challenge.]*

## And Now for the Book of Lists: Tax Related Proposals Shoe-Horned into Categories



We've been on a fifteen-year roll of steadily narrowing our consumption base (read: new GRT deductions or expansions of existing gross receipts tax deductions). That of course ultimately results in rate increases, be they state or local. The pressure on rates makes the problems with the gross receipts tax system worse. Pyramiding is worse, meaning our businesses are less competitive in ways they can't see or manage. And regressivity of the tax is worse, because lower-income families pay more due to the increased rates. And, of course, higher rates put more pressure on lawmakers to carve out more of the base (don't believe us – see below).

Regardless of perceived merit of particular exclusion of consumables from the tax base, the result is the same: a structure that is worse from a family or business perspective than it was previously – year after year. But first – to illustrate – see the slide below from a presentation NMTRI gave earlier, that makes the point:



## So What's Going to Happen?

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- **Many proposals re-treads**
  - Proposals tend to be introduced over and over again
    - ✦ Repeal Richardson Tax Cuts/Tax Increases
    - ✦ Mandatory Combined Filing
    - ✦ Additional/expanded Healthcare Deductions
    - ✦ Additional Misc. Gross Receipts Tax Deductions
    - ✦ Veterans/Seniors/Other Special Interest Tax Exemptions

N.M. Tax Research Institute

### Tax Expenditures that Narrow the Consumption Tax Base

Bill Number & Sponsors:	Title and Link to bill language & Description
HB 119 Baldonado/Armstrong	Feminine Hygiene Products Gross Receipts: <a href="#">HB 119</a>
HB 179 C Trujillo	Feminine Hygiene Product Gross Receipts: <a href="#">HB 179</a>
HB 185 J Trujillo	Electric Motor Vehicle Excise Fees and Tax Credits: <a href="#">HB 185</a>
HB 345 J Trujillo, Pratt, Martinez, Herrera	Health Practitioner Gross Receipts: <a href="#">HB 345</a>
HB 346 J Trujillo, Pratt, Martinez, Herrera	Expand Healthcare Practitioner Gross Receipts: <a href="#">HB 346</a>
HB 372 Armstrong	GRT Deduction for Processed Meats for Home: <a href="#">HB 372</a>
HB 515 Cadena/J Trujillo	Childcare Assistance Gross Receipts: <a href="#">HB 515</a>

HB 612 Akhil, Ely, Small, Sarinana	Motor Vehicle Excise for Electric Cars: <a href="#">HB 612</a>
HB 656 Bash	Gross Receipts on Certain Solar Systems: <a href="#">HB 656</a>
SB 242 Ortiz y Pino	Medical Cannabis Gross Receipts & Deductions: <a href="#">SB 242</a>
SB 347 Munoz	GRT Deduction for In State Transportation: <a href="#">SB 347</a>
SB 352 Padilla	Data Center Gross Receipts: <a href="#">SB 352</a>
SB 425 Munoz	Dept. of Defense Satellite Gross Receipts: <a href="#">SB 425</a>
SB 466 Ortiz y Pino	Start-Up Business Gross Receipts: <a href="#">SB 466</a>

### Healthcare Related Tax Proposals

Bill Number & Sponsors:	Title and Link to bill language & Description
HB 6 J Trujillo, Stapleton Williams, Martinez, Herrera, Maestas	Tax Changes <a href="#">HB 6</a>
HB 41 M Garcia	Rural Health Practitioner Tax Credit Changes: <a href="#">HB 41</a>
SB 242 Ortiz y Pino	Medical Cannabis Gross Receipts & Deductions: <a href="#">SB 242</a>
HB 345 J Trujillo, Pratt, Martinez, Herrera	Health Practitioner Gross Receipts: <a href="#">HB 345</a>
HB 346 J Trujillo, Pratt, Martinez, Herrera	Expand Healthcare Practitioner Gross Receipts: <a href="#">HB 346</a>
HB 387 Baldonado	Add Chiropractors to Rural Tax Credit: <a href="#">HB 387</a>
SB 71 McSorley	Medical Cannabis Gross Receipts: <a href="#">SB 71</a>
SB 242 Ortiz y Pino	Medical Cannabis Gross Receipts & Deductions: <a href="#">SB 242</a>
SB 421 Cisneros	Tax Changes: <a href="#">SB 421</a>

### Tax Increase Proposals

Bill Number & Sponsors:	Title and Link to bill language & Description
HB 6 J Trujillo, Stapleton Williams, Martinez, Herrera, Maestas	Tax Changes <a href="#">HB 6</a>

HB 211 Gonzales/ Crowder	<b>County and Municipal Gas Tax Changes: <a href="#">HB 211</a></b>
HB 247 Chandler	<b>Increase Corporate Income Tax Rates: <a href="#">HB 247</a></b>
HB 261 Romero/ Thomson	<b>Increase Cigarette Taxes: <a href="#">HB 261</a></b>
HB 335 Ely	<b>Create New Top Income Tax Bracket: <a href="#">HB 335</a></b>
HB 356 Martinez, Ely, Maestas, Armstrong, Rubio	<b>Cannabis Regulation Act: <a href="#">HB 356</a></b>
HB 365 Garcia	<b>Personal Income Tax Modifications: <a href="#">HB 365</a></b>
HB 398 Lente	<b>Oil, Gas &amp; Vented Gas Royalties: <a href="#">HB 398</a></b>
HB 465 J. Martinez	<b>Jet Fuel Excise Tax: <a href="#">HB 465</a></b>
HB 502 J Trujillo	<b>Increase Tobacco Products Tax: <a href="#">HB 502</a></b>
HB 609 Gonzales, Ruiloba, Lundstrom	<b>Gas Tax Rate &amp; Distributions: <a href="#">HB 609</a></b>
SB 11 Cisneros	<b>Gross Receipt for Certain Nonprofit Organizations: <a href="#">SB 11</a></b>
SB 72 McSorley	<b>Increase Cigarette Tax and Distributions: <a href="#">SB 72</a></b>
SB 98 O'Neill	<b>Additional Upper-Tier Income Tax Brackets: <a href="#">SB 98</a></b>
SB 106 Sapien	<b>Short-Term Occupancy Tax: <a href="#">SB 106</a></b>
SB 166 C Sanchez	<b>Increase Cigarette &amp; E-Cigarette Taxes: <a href="#">SB 166</a></b>
SB 375 Sapien	<b>Create Tenancy Tax: <a href="#">SB 375</a></b>
SB 399 Munoz	<b>Wind Energy Production Tax Act: <a href="#">SB 399</a></b>
SB 421 Cisneros	<b>Tax Changes: <a href="#">SB 421</a></b>
SB 475 Soules	<b>Request EMNRD to Draft Carbon Tax: <a href="#">SB 475</a></b>
SB 500	<b>Oil, Gas &amp; Vented Gas Royalties: <a href="#">SB 500</a></b>
SB 504 Smith	<b>Gas Tax Amount &amp; Road Fund: <a href="#">SB 504</a></b>
SB 505 Smith/Ingle	<b>Motor Vehicle Tax to Road Fund: <a href="#">SB 505</a></b>
SB 506 Smith	<b>Gas Tax to Road Fund &amp; Local Gov't: <a href="#">SB 506</a></b>
SB 527	<b>Tobacco Products Definitions &amp; Tax: <a href="#">SB527</a></b>

Padilla	
SB 584 Smith/Ingle	<b>Local Option Food Gross Receipts Tax Act:</b> <a href="#">SB 584</a>
SB 585 Smith/Ingle	<b>Food Sale Gross Receipts and Hold Harmless:</b> <a href="#">SB 585</a>
SB 609 Sanchez	<b>Gas, Fuel and Motor Vehicle Excise Taxes:</b> <a href="#">SB 609</a>

## Income Tax Cut/Credit Proposals

<b>Bill Number &amp; Sponsors:</b>	<b>Title and Link to bill language &amp; Description</b>
HB 18 Cadena/Chandler	<b>Child Income Tax Credit:</b> <a href="#">HB 18</a>
HB 23 Figueroa, Madrid, Allison, Martinez	<b>Increase Working Families Tax Credit:</b> <a href="#">HB 23</a>
HB 41 M Garcia	<b>Rural Health Practitioner Tax Credit Changes:</b> <a href="#">HB 41</a>
HB 163 J Trujillo	<b>Tax Deduction for Nonresident Beneficiary:</b> <a href="#">HB 163</a>
HB 184 M. Garcia	<b>Apprenticeship Program Income Tax Credits:</b> <a href="#">HB 184</a>
HB 219 Small, Dow, Romero	<b>Make Angel Investment Tax Credit Refundable:</b> <a href="#">HB 219</a>
HB 221 McQueen	<b>Home Energy Efficiency Income Tax Credit:</b> <a href="#">HB 221</a>
HB 288 Johnson/ Lundstrom	<b>Rural Infrastructure Tax Credit:</b> <a href="#">HB 288</a>
HB 365 Garcia	<b>Personal Income Tax Modifications:</b> <a href="#">HB 365</a>
HB 387 Baldonado	<b>Add Chiropractors to Rural Tax Credit:</b> <a href="#">HB 387</a>
HB 419 Powdrell-Culbert/ Rehm	<b>Transfer or Sale of Unused Angel Tax Credit:</b> <a href="#">B 419</a>
HB 477 Armstrong	<b>Social Security Income Tax Exemption:</b> <a href="#">HB 477</a>
HB 506 B. Gonzales/H. Garcia	<b>Wastewater Treatment System Tax Credit:</b> <a href="#">HB 506</a>
HB 527 Gonzales, Martinez, Egolf	<b>Payment of All Approved Film Tax Incentives:</b> <a href="#">HB 527</a>
HB 538 Ely	<b>Social Security Exempt From Income Tax:</b> <a href="#">HB 538</a>
HB 579 Harper	<b>Tax Reform:</b> <a href="#">HB 579</a>
HB 594 Anderson	<b>Certain Film Tax Credit Claims:</b> <a href="#">HB 594</a>
SB 39	<b>Solar Market Development Tax Credit:</b> <a href="#">SB 39</a>

Stewart	
SB 183 Ortiz y Pino	<b>Increase Working Families Tax Credit: <a href="#">SB 183</a></b>
SB 242 Ortiz y Pino	<b>Medical Cannabis Gross Receipts &amp; Deductions: <a href="#">SB 242</a></b>
SB 268 Wirth	<b>Agricultural Biomass Tax Credits: <a href="#">SB 268</a></b>
SB 300 C Sanchez	<b>Income Tax Dependent Deduction: <a href="#">SB 308</a></b>
SB 308 Ortiz y Pino	<b>Tax Deduction of Certain Business Expenses: <a href="#">SB 308</a></b>
SB 330 Burt	<b>Military Retiree Income Tax Deduction: <a href="#">SB 330</a></b>
SB 333 Sedillo Lopez, Woods	<b>Electric Vehicle Income Tax Credit: <a href="#">SB 333</a></b>
SB 474 Campos	<b>Frontier Community Investment Tax Credit: <a href="#">SB 474</a></b>
SB 499 Sharer	<b>Climate Change Compliance Tax Credits: <a href="#">SB 499</a></b>
SB 518 Stewart	<b>New Market Solar Development Tax Credit: <a href="#">SB 518</a></b>
SB 602 Campos	<b>Federal Tax Benefit Tax Exemption: <a href="#">SB 602</a></b>

### Economic Development & Other Targeted Proposals

<b>Bill Number &amp; Sponsors:</b>	<b>Title and Link to bill language &amp; Description</b>
HB 155 Dow	<b>Local Economic Development Taxes: <a href="#">HB 155</a></b>
HB 163 J Trujillo	<b>Tax Deduction for Nonresident Beneficiary: <a href="#">HB 163</a></b>
HB 165 Sweetser	<b>Modifying High Wage Jobs Tax Credit: <a href="#">HB 165</a></b>
HB 176 J. Trujillo	<b>Broadband Telecomm Facility Gross Receipts: <a href="#">HB 176</a></b>
HB 184 M. Garcia	<b>Apprenticeship Program Income Tax Credits: <a href="#">HB 184</a></b>
HB 185 J Trujillo	<b>Electric Motor Vehicle Excise Fees and Tax Credits: <a href="#">HB 185</a></b>
HB 219 Small, Dow, Romero	<b>Make Angel Investment Tax Credit Refundable: <a href="#">HB 219</a></b>
HB 221 McQueen	<b>Home Energy Efficiency Income Tax Credit: <a href="#">HB 221</a></b>
HB 288 Johnson/ Lundstrom	<b>Rural Infrastructure Tax Credit: <a href="#">HB 288</a></b>
HB 347	<b>Coal Sale &amp; Processing Receipts: <a href="#">HB 347</a></b>

Strickler, Alcon, Garcia, Allison, Bandy	
HB 353 Strickler, Scott, Nibert, Brown, Bandy	<b>Reduce Certain Oil and Gas Tax Rates: <a href="#">HB 353</a></b>
HB 396 Harper, Scott, Maestas, Chandler, C Sanchez	<b>Change Name of Various Taxes: <a href="#">HB 396</a></b>
HB 419 Powdrell-Culbert/ Rehm	<b>Transfer or Sale of Unused Angel Tax Credit: <a href="#">HB 419</a></b>
HB 429 Rehm/Powdrell-Culbert	<b>Property Tax Limit Increase for Some People: <a href="#">HB 429</a></b>
HB 477 Armstrong	<b>Social Security Income Tax Exemption: <a href="#">HB 477</a></b>
HB 489 Martinez	<b>Liquor Permit, Tax and Definition Changes: <a href="#">HB 489</a></b>
HB 506 B. Gonzales/H. Garcia	<b>Wastewater Treatment System Tax Credit: <a href="#">HB 506</a>.</b>
HB 513 Small/Dow	<b>Water Conservation Products Tax Credit <a href="#">HB 513</a></b>
HB 520 McQueen	<b>Property Tax on Certain Solar Systems: <a href="#">HB 520</a></b>
HB 526 Akhil, Chandler, Harper, Sanchez	<b>Lab Small Business Tax Credit Changes: <a href="#">HB 526</a></b>
HB 527 Gonzales, Martinez, Egolf	<b>Payment of All Approved Film Tax Incentives: <a href="#">HB 527</a></b>
HB 538 Ely	<b>Social Security Exempt From Income Tax: <a href="#">HB 538</a></b>
HB 582 Martinez	<b>Investment Tax Credit Changes: <a href="#">HB 582</a></b>
HB 593 Akhil, Sarinana, Small	<b>Energy Storage Systems Gross Receipts: <a href="#">HB 593</a></b>
HB 594 Anderson	<b>Certain Film Tax Credit Claims: <a href="#">HB 594</a></b>
HB 596 Ruiloba	<b>Data Center Gross Receipts &amp; Property Tax: <a href="#">HB 596</a></b>
HB 612 Akhil, Ely, Small, Sarinana	<b>Motor Vehicle Excise for Electric Cars: <a href="#">HB 612</a></b>
HB 650 Cook	<b>Lower Gaming Tax On Certain Licenses: <a href="#">HB 650</a></b>
HB 654 Maestas, Trujillo	<b>Film Production Tax Credit Changes: <a href="#">HB 654</a></b>
HB 656 Bash	<b>Gross Receipts on Certain Solar Systems: <a href="#">HB 656</a></b>
SB 2 Rodriguez	<b>Film Tax Credit Changes: <a href="#">SB 2</a></b>
SB 39 Stewart	<b>Solar Market Development Tax Credit: <a href="#">SB 39</a></b>

SB 71 McSorley	<b>Medical Cannabis Gross Receipts:</b> <a href="#">SB 71</a>
SB 72 McSorley	<b>Increase Cigarette Tax and Distributions:</b> <a href="#">SB 72</a>
SB 106 Sapien	<b>Short-Term Occupancy Tax:</b> <a href="#">SB 106</a>
SB 113 Stefanics	<b>Local Economic Development Taxes:</b> <a href="#">SB 113</a>
SB 183 Ortiz y Pino	<b>Increase Working Families Tax Credit:</b> <a href="#">SB 183</a>
SB 220 Wirth	<b>Certain Property Tax Increase Limits:</b> <a href="#">SB 220</a>
SB 268 Wirth	<b>Agricultural Biomass Tax Credits:</b> <a href="#">SB 268</a>
SB 308 Ortiz y Pino	<b>Tax Deduction of Certain Business Expenses:</b> <a href="#">SB 308</a>
SB 333 Sedillo Lopez, Woods	<b>Electric Vehicle Income Tax Credit:</b> <a href="#">SB 333</a>
SB 352 Padilla	<b>Data Center Gross Receipts:</b> <a href="#">SB 352</a>
SB 413 Stewart	<b>Liquor Permit, Tax &amp; Definition Changes:</b> <a href="#">SB 413</a>
SB 425 Munoz	<b>Dept. of Defense Satellite Gross Receipts:</b> <a href="#">SB 425</a>
SB 451 C Sanchez	<b>Film Tax Credit Aggregate Claims:</b> <a href="#">SB 451</a>
SB 466 Ortiz y Pino	<b>Start-Up Business Gross Receipts:</b> <a href="#">SB 466</a>
SB 474 Campos	<b>Frontier Community Investment Tax Credit:</b> <a href="#">SB 474</a>
SB 499 Sharer	<b>Climate Change Compliance Tax Credits:</b> <a href="#">SB 499</a>
SB 518 Stewart	<b>New Market Solar Development Tax Credit:</b> <a href="#">SB 518</a>
SB 572 Cisneros	<b>Technology Readiness Gross Receipts Tax Credit:</b> <a href="#">SB 572</a>
SB 579 Burt	<b>Lower Gaming Tax on Certain Licenses:</b> <a href="#">SB 579</a>

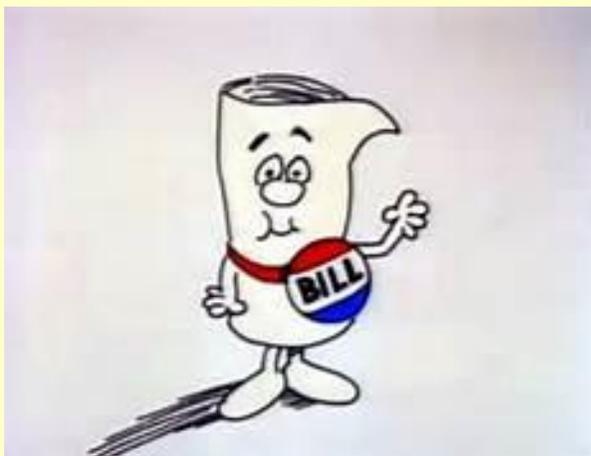
### Proposals Targeted at Reducing System Regressivity/Poor Households

<b>Bill Number &amp; Sponsors:</b>	<b>Title and Link to bill language &amp; Description</b>
HB 6 J Trujillo, Stapleton Williams, Martinez, Herrera, Maestas	<b>Tax Changes</b> <a href="#">HB 6</a>
HB 18 Cadena/Chandler	<b>Child Income Tax Credit:</b> <a href="#">HB 18</a>

HB 23 Figueroa, Madrid, Allison, Martinez	<b>Increase Working Families Tax Credit:</b> <a href="#">HB 23</a>
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HB 429 Rehm/Powdrell-Culbert	<b>Property Tax Limit Increase for Some People:</b> <a href="#">HB 429</a>
HB 477 Armstrong	<b>Social Security Income Tax Exemption:</b> <a href="#">HB 477</a>
HB 538 Ely	<b>Social Security Exempt From Income Tax:</b> <a href="#">HB 538</a>
HB 579 Harper	<b>Tax Reform:</b> <a href="#">HB 579</a>
SB 183 Ortiz y Pino	<b>Increase Working Families Tax Credit:</b> <a href="#">SB 183</a>
SB 220 Wirth	<b>Certain Property Tax Increase Limits:</b> <a href="#">SB 220</a>
SB 300 C Sanchez	<b>Income Tax Dependent Deduction:</b> <a href="#">SB 308</a>
SB 421 Cisneros	<b>Tax Changes:</b> <a href="#">SB 421</a>

*[NMTRI note: feel free to quibble with our categorizations, and please let us know where we missed the mark. Some proposals fit into several categories. Some proposals, like corporate tax market sourcing or combined filing – aren't in any of the categories above – they're not rate increases or base carve-outs. Also, the categories are meant only to indicate the goal—not whether it's a proper goal, or whether the proposal would be effective. But many of these proposals are based on an idea that is, simply wrong—that taxes are punishment—and we only tax things we don't like. We make no excuses for populism. As for effectiveness, just because something attempts (or pretends) to do something good, doesn't mean it is a good or effective approach. Carving out food from the GRT base was done for the poorest of families to eliminate poverty and food insecurity, but a significant amount of that “help” went to wealthier families, and tax rates just rose to make up the difference. Food stamp recipients got the least amount of help, of all – since the tax did not apply to food stamps, and they simply ended up paying more on everything else. Effective? Similarly, eliminating income tax on federal or military pensions – or social security benefits – may sound good, but those tax benefits have the same problem—they're not well targeted. And if the goal is to attract new taxpayers, what about the ones who will be lost because the burden of tax shifts to them. This is true of business tax exemptions and deductions also. Some win. But some lose. The losers don't just not get the benefit, they're worse off than before, because they're making up the tax that others are relieved of paying. But at least with true tax exemptions, deductions, or credits, there is a limit—the tax that would otherwise be owed. But other “tax benefits” exceed any taxes that the taxpayer could possibly owe, even counting passed-on taxes paid by others. These benefits likely violate the state constitution's anti-donation clause—even though we may never see a challenge. For those “tax” benefits, the sky is, apparently, the limit.]*

## Thanks for Reading



Join us weekly through the session as we try to provide balanced policy analysis, commentary and discussion of the tax and budget proposals that implicate tax policy in New Mexico. Of course, tax proposals – particularly bad ones – tend to be regurgitated (so to speak) from year to year. So, merely recalling what’s been introduced (but failed to pass) in recent years will give you some idea of what will be introduced again. For confirmation of that, all you need do is scroll down to the table of bills already introduced below.

### Bills with significant tax implications in the 2019 Regular Legislative Session:

Note – Income Tax bills are effective tax years beginning on or after January 1, 2020 unless otherwise noted. “TYBA” = Tax years beginning on or after. Bills with an emergency clause are effective upon signature if enough votes are obtained. Bills with no effective date Other notes: “CS” indicates committee substitute; “a” indicates amended.

Bill Number & Sponsors:	Title and Link to bill language & Description	Assignments-Location:
HB 6 J Trujillo, Stapleton Williams, Martinez, Herrera, Maestas	<b>Tax Changes <a href="#">HB 6</a></b> The House’s first stab at a tax reform bill. Includes provisions for mandatory combined corporate income tax filing, market base sourcing, remote sales gross receipts taxation with destination based reporting and local option compensating tax (effective in the future), local option compensating tax, hospital taxation, hold harmless changes and GRT repeals, fuel tax and motor vehicle registration increases, and GRT rate reduction.	HTRC-HTRC
HB 18 Cadena/Chan- dler	<b>Child Income Tax Credit: <a href="#">HB 18</a></b> Creates a refundable personal income tax credit for dependent children on a sliding scale depending upon income (from \$25-175/child).	HHHC/HTRC -HHHC- DP/a-HTRC
HB 23 Figueroa, Madrid, Allison, Martinez	<b>Increase Working Families Tax Credit: <a href="#">HB 23</a></b> Increases the benefit/percentage of the federal Earned Income Tax Credit that is the state working families tax credit from, 10-20%.	HHHC/HTRC -HHHC-DP- HTRC
HB 41 M Garcia	<b>Rural Health Practitioner Tax Credit Changes: <a href="#">HB 41</a></b> Moves the \$3K credit beneficiaries into the category of \$5K beneficiaries (eliminating the \$3K category). Also adds pharmacists,	HHHC/HTRC -HHHC- DP/a-HTRC

	social workers, and anyone licensed pursuant to the counseling and therapy practice act the list of qualified healthcare practitioners that are eligible for the credit.	
HB 119 Baldonado/A rmstrong	<b>Feminine Hygiene Products Gross Receipts: <a href="#">HB 119</a></b> Creates a new gross receipts tax deduction for “feminine hygiene products”, along with separate reporting requirements and effectiveness evaluation requirements.	HHHC/HTRC -HHHC- DNP-CS/DP- HTRC
HB 155 Dow	<b>Local Economic Development Taxes: <a href="#">HB 155</a></b> Increases municipal and county infrastructure gross receipts tax rate maximums to 5/8%, increase the limit on the amount of local option infrastructure gross receipts tax (GRT) revenue that may be used towards professional services expenditures of an economic development, and requires new additional county option authority be subject to referendum.	HCEDC/HTR C-HCEDC- DP-HTRC
HB 163 J Trujillo	<b>Tax Deduction for Nonresident Beneficiary: <a href="#">HB 163</a></b> Creates a deduction from trust income for the portion of income set aside for distributions to non-New Mexico beneficiaries. Excluded from the deduction is income that would be subject to NM income tax if earned by a nonresident.	HJC/HTRC- HJC-DP- HTRC-DP- Passed/H- SCORC/SFC- SCORC
HB 165 Sweetser	<b>Modifying High Wage Jobs Tax Credit: <a href="#">HB 165</a></b> Makes significant changes to the requirements including eligibility requirements (JTIP eligibility only), increases the cap on a qualifying wage to \$150K, and reduces the credit percentage to 8.5%. Also, the qualifying job can be eligible for the credit for four years.	HCEDC/HTR C-HCEDC- DP-HTRC
HB 176 J. Trujillo	<b>Broadband Telecomm Facility Gross Receipts: <a href="#">HB 176</a></b> Creates a new gross receipts and compensating tax deduction for “broadband telecommunications network facilities components”, or equipment used by telecommunications companies to supply internet access and related services.	HCEDC/HTR C-HCEDC- DP-HTRC
HB 179 C Trujillo	<b>Feminine Hygiene Product Gross Receipts: <a href="#">HB 179</a></b> Creates a new gross receipts tax deduction for “feminine hygiene products”, along with separate reporting requirements.	HHHC/HTRC -HHHC- see HB 119
HB 184 M. Garcia	<b>Apprenticeship Program Income Tax Credits: <a href="#">HB 184</a></b> Until 2024, creates a personal and corporate income tax credit of up to the first \$1000 in wages paid to a “qualified apprentice” (up to \$2000 if the apprentice received a high school diploma or GED within four years prior to the service). The credit may not be taken for more than five years and may be carried forward three years and prorated for qualified apprentices working seven months or more.	HLVMC/HT RC-HLVMC- DP-HTRC
HB 185 J Trujillo	<b>Electric Motor Vehicle Excise Fees and Tax Credits: <a href="#">HB 185</a></b> Until 1/1/2027, creates refundable personal income tax credits for electric and hybrid vehicles, and charging devices. For cars, the credit is \$2500, and \$3500 for those single filers with taxable income less than \$50K and married/joint and HoH filers earning less than \$75,000. The	HENRC/HTR C-HENRC- DP-HTRC

	credit for charging devices is not means tested at \$300. The car program has an annual expenditure cap of \$5M, while the charger credit program is capped at \$500K. The proposal also increases fees on electric and hybrid vehicles (\$25 and \$15, respectively).	
HB 188 Brown	<b>Motor Vehicle Excise Tax to State Road Fund: <a href="#">HB 188</a></b> Shifts the MVX from the general fund to the road fund over three years (25% road/75% GF in 2020, 75% Road/25% GF in 2021, and 100% road fund).	HTPWC/HTR C-HTPWC- DP-HTRC
HB 201 Brown	<b>County Road Fund Tax Refund Donation: <a href="#">HB 201</a></b> Provides for a personal or corporate income taxpayer to contribute a portion of their tax refund to the road fund of the county of their choice. It also provides a nonrefundable personal or corporate income tax credit for a donation made to county road funds of up to \$1 million.	HTPWC/HTR C-HTPWC- DP-HTRC
HB 211 Gonzales/ Crowder	<b>County and Municipal Gas Tax Changes: <a href="#">HB 211</a></b> Renames the County and Municipal Gasoline Tax Act to the County and Municipal Fuels Tax Act, and expands its use and authorization to all municipalities and counties and increases the amount of the tax to up to 10 cents per gallon.	HLLC/HTRC -HLLC-DP- HTRC
HB 219 Small, Dow, Romero	<b>Make Angel Investment Tax Credit Refundable: <a href="#">HB 219</a></b> Prospectively changes the five-year carryforward provision in present law of unused credit balances to allowing unused balances to be refunded to the taxpayer.	HCEDC/HTR C-HTRC-DP- HTRC
HB 221 McQueen	<b>Home Energy Efficiency Income Tax Credit: <a href="#">HB 221</a></b> Beginning 1/1/19 and until 2025, creates a refundable personal income tax credit, capped in the aggregate to \$1M/yr, until 2023 and \$2M for 2023 and 2025, for expenditures that increase energy efficiency by 20% or more: 30% not to exceed \$3K; and by 40% or more: not to exceed \$4K. The recipient cannot be related to the contractor doing the work and the assessed savings will be determined via guidelines issued by EMNRD.	HENRC/HTR C-HENRC- DP/a-HTRC
HB 247 Chandler	<b>Increase Corporate Income Tax Rates: <a href="#">HB 247</a></b> Effective tax years beginning on or after 2020, creates a new tax bracket for income over 500,000 and under \$1M at a rate of 6.4%, and raises the tax for incomes above \$1M from 5.9% to 6.9%, and then raises that rate to 7.6% in 2021.	HCEDC/HTR C-HCEDC
HB 257 Ezzell	<b>Enviro Services Gross Receipts Uses: <a href="#">HB 257</a></b> Broadens the applicable use of the gross receipts tax increment for municipal environmental services to be applicable to disposal of demolition debris and for use in storm water runoff control, and expands the base of those that can impose it to communities with property tax values in 2008 in excess of \$600M versus \$750M.	HJC-HJC- DP-Passed/H- SCORC-DP- Passed S- SCORC- SCORC-DP- Passed/S- SGND

HB 261 Romero/ Thomson	<b>Increase Cigarette Taxes: <a href="#">HB 261</a></b> Slightly more than triples the cigarette and tobacco products taxes, and distributes the additional revenues to public schools rather than health related expenditures.	HHHC/HTRC -HHHC-DP- HTRC
HB 288 Johnson/ Lundstrom	<b>Rural Infrastructure Tax Credit: <a href="#">HB 288</a></b> Beginning 1/1/19 and prior to 1/1/2025, creates a tax credit against “modified combined tax liability”, and personal and corporate income tax in the amount of 30% of a “qualified investment” (at least \$1M infrastructure that include building and equipment) that has “quantifiable benefits”. Recipients must obtain a certificate of eligibility from the MFA, and overall credits cannot exceed \$10M/yr (carried forward in order received). Owner of partnerships and LLCs are eligible beneficiaries, but S-Corps and LLPs(?) are excluded. The credit may be carried forward 10 years.	HCEDC/HTR C-HCEDC
HB 335 Ely	<b>Create New Top Income Tax Bracket: <a href="#">HB 335</a></b> Creates a 5.9% bracket for individuals with taxable income above, \$210,000, married and HoH filers earning in excess of \$315,000, and married individuals filing separately earning more than \$157,500.	HTRC-HTRC
HB 345 J Trujillo, Pratt, Martinez, Herrera	<b>Health Practitioner Gross Receipts: <a href="#">HB 345</a></b> Phases in over 3 years an expansion of the healthcare practitioner deduction in 7-9-93 to include copayments and deductibles but eliminates deductions for payments to providers under traditional indemnity plans through definition of “fee-for service.”	HHHC/HTRC -HHHC-DP- HTRC
HB 346 J Trujillo, Pratt, Martinez, Herrera	<b>Expand Healthcare Practitioner Gross Receipts: <a href="#">HB 346</a></b> Broadens the deductions found in §§7-9-77.1 and 7-9-93. Changes the healthcare practitioner definition to “healthcare provider” and adds “qualifying healthcare entity” to the list of those whose services are deductible.	HHHC/HTRC -HHHC-DP- HTRC
HB 347 Strickler, Alcon, Garcia, Allison, Bandy	<b>Coal Sale &amp; Processing Receipts: <a href="#">HB 347</a></b> Creates a phased-in GRT deduction up to 75% (25% until 7/1/20; 50% until 7/1/25; and 75% until 7/1/32 for the sale or processing of coal subject to the severance tax. Also similarly phases in tax reductions for coal under the Severance Tax, the Processors Tax, and the Oil & Gas Conservation Tax.	HENRC/HTR C-HENRC
HB 353 Strickler, Scott, Nibert, Brown, Bandy	<b>Reduce Certain Oil and Gas Tax Rates: <a href="#">HB 353</a></b> Increases the price threshold for oil and natural (from \$1.15 to \$2.00 and \$15 to \$38 for natural gas and oil, respectively), where the severance and emergency school tax rates are reduced when prices fall below.	HENRC/HTR C-HENRC
HB 356 Martinez, Ely, Maestas, Armstrong, Rubio	<b>Cannabis Regulation Act: <a href="#">HB 356</a></b> Creates a regulatory and tax structure for the production and sale of recreational marijuana. With the respect to taxes, the Cannabis Tax Act is created, subject to the rules of the Tax Administration Act, and is administered by the Taxation and Revenue Department. It creates the Cannabis Excise Tax, which is imposed on the sale of cannabis products	HHHC/HJC- HHHC-DP- HJC

	at a rate of 9% and is not imposed on wholesale sales between licensees. Counties and Municipalities can impose their own tax (similar to local GRT increments) in sixteenths up to 3% without voter approval. Their imposition is general purpose.	
HB 365 Garcia	<b>Personal Income Tax Modifications: <a href="#">HB 365</a></b> Creates nine new tax brackets ranging from 1.7% (for incomes not over \$5K single, \$8K married or HoH), to 7.9% (for incomes above \$175K single, \$250K married or HoH).	HCPAC/HTR C-HCPAC
HB 372 Armstrong	<b>GRT Deduction for Processed Meats for Home: <a href="#">HB 372</a></b> Creates a new gross receipts tax deduction for the sale of “processed meat products” for home consumption – defined as meat from cattle, sheep, goats, swine, bison, poultry and ostriches.	HAWC/HTR C-HAWC- DP-HTRC
HB 387 Baldonado	<b>Add Chiropractors to Rural Tax Credit: <a href="#">HB 387</a></b> Adds “chiropractic physician” to the premium list of beneficiaries eligible to the \$5K/yr personal income tax credit for working.	HHHC/HTRC -HHHC-DP- HTRC
HB 396 Harper, Scott, Maestas, Chandler, C Sanchez	<b>Change Name of Various Taxes: <a href="#">HB 396</a></b> Changes the name of the state, municipal, and county gross receipts taxes to the sales tax, and the compensating tax to the state use tax.	HSEIC/HTR C-HSEIC- DP-HTRC
HB 398 Lente	<b>Oil, Gas &amp; Vented Gas Royalties: <a href="#">HB 398</a></b> Requires oil royalties of 25% for all state trust land leases entered after 7/1/19 that produce in excess of 20K barrels of oil or 75K mcf of natural gas per month. Also requires 25% royalties on oil and natural gas “wasted” due to flaring, spill, theft, etc.	HCEDC/HEN RC/HTRC- HCEDC
HB 411 J Trujillo, Herrera	<b>Local Gov’t Tax Distribution Definitions: <a href="#">HB 411</a></b> Amends the definition of “average distribution or transfer amount” means the average <i>monthly</i> amount distributed to a city or county in the prior 36 months., or the average <i>monthly</i> amount distributed in the prior twelve months if the muni or county hasn’t had distributions for 26 months or more.	HLLC/HTRC -HLLC-DP- HTRCDP- Passed/H- SCORC/SFC- SCORC
HB 419 Powdrell- Culbert/ Rehm	<b>Transfer or Sale of Unused Angel Tax Credit: <a href="#">HB 419</a></b> Increases the annual cap of the tax credit program from \$2M to \$5M and add provision that the credit can be sold, exchanged, or otherwise transferred.	HCEDC/HTR C-HCEDC- DP-HTRC
HB 429 Rehm/Powdr ell-Culbert	<b>Property Tax Limit Increase for Some People: <a href="#">HB 429</a></b> Increases the income limit for those eligible for the property tax limitation (freeze) for disabled individuals over 65 from \$35K to \$50K of “modified” gross income in tax years 2020 and after.	HLLC/HTRC -HLLC=w/o rec-HTRC
HB 465 J. Martinez	<b>Jet Fuel Excise Tax: <a href="#">HB 465</a></b> Changes the imposition of the tax on jet fuel from the GRT/Comp/GGRT to the alternative fuels tax act at a rate of 5 cents/gallon	HTPWC/HTR C-HTPWC

HB 477 Armstrong	<b>Social Security Income Tax Exemption: <a href="#">HB 477</a></b> Modifies the present law income tax exemption for low income over 65 and older individuals up to \$8K, to also exempt social security income of any individual of any age or income up to \$24K.	HLVMC/HT RC-HLVMC
HB 479 Harper	<b>De-Earmarking Local Option Gross Receipts: <a href="#">HB 479</a></b> Consolidates certain municipal and county local option gross receipts tax increments, but expands their use to general purpose and attempts to leave the portion subject to voter approval versus not the same.	HLLC/HTRC -HLLC-DP/a- HTRC-DP- Passed/H
HB 489 Martinez	<b>Liquor Permit, Tax and Definition Changes: <a href="#">HB 489</a></b> Provides for preferential liquor excise tax rates for cider sold by small wine growers and spiritous liquor sold by craft distillers licensed in NM. Also provides for sales by the drink by such producers at “public” and “private” celebrations. Also, increases the production limit for microbreweries by ten fold.	HCEDC/HTR C-HCEDC- DP/a_HTRC
HB 502 J Trujillo	<b>Increase Tobacco Products Tax: <a href="#">HB 502</a></b> Increases the tobacco products tax act rate from 25% to 45%, and adds e-cigarette liquids and devices to the definition of tobacco products.	HHHC/HTRC -HHHC
HB 506 B. Gonzales/H. Garcia	<b>Wastewater Treatment System Tax Credit: <a href="#">HB 506</a></b> Creates a personal income tax credit of up to \$2500 against the value of “qualified wastewater system” that is installed on property owned and occupied by taxpayer. The credit can be carried forward up to three years.	HENRC/HTR C-HENRC- DP-HTRC
HB 513 Small/Dow	<b>Water Conservation Products Tax Credit <a href="#">HB 513</a></b> Creates a one-time one week GRT deduction for the “sale at retail” of water saving tangible personal property from midnight on 3/1/2020 to 1/8/2020.	HENRC/HTR C-HENRC
HB 515 Cadena/J Trujillo	<b>Childcare Assistance Gross Receipts: <a href="#">HB 515</a></b> Creates a new gross receipts tax deduction for the sale of child care assistance services to the department of children youth and families through a licensed child care assistance program.	HCPAC/HTR C-HCPAC- DP-HTRC
HB 520 McQueen	<b>Property Tax on Certain Solar Systems: <a href="#">HB 520</a></b> Specifically excludes “solar energy systems” from the list of tangible personal property exceptions to the exemption from valuation for purposes of residential property taxation.	HENRC/HTR C-HENRC- DP-HTRC
HB 526 Akhil, Chandler, Harper, Sanchez	<b>Lab Small Business Tax Credit Changes: <a href="#">HB 526</a></b> Expands the definition of “contractor” to include 501(c)(3) organizations and increases the cap on the amount of credit that be award in rural and urban areas from \$10K to \$20K. Also increases the aggregate credit a taxpayer may receive in a rural area from \$20K to \$40K in a year.	HCEDC/HTR C-HCEDC- DP-HTRC
HB 527 Gonzales, Martinez, Egolf	<b>Payment of All Approved Film Tax Incentives: <a href="#">HB 527</a></b> Creates a temporary provision in the film production tax credit act that provides that film production tax credits otherwise subject to caps and annual payout limitations that were approved prior to the effective date	HCEDC/HAF C-HCEDC

	of the current act will be paid in the 2019 fiscal year, and those subsequent will be paid in the fiscal year claimed.	
HB 538 Ely	<b>Social Security Exempt From Income Tax: <a href="#">HB 538</a></b> Changes the present law income tax exemption for those 65 and older or blind to allow up to \$24K in exemption of supplemental social security receipts, and if they don't have any the present law schedule of exemption from \$1-8K depending on income still applies.	HLVMC/HT RC-HLVMC
HB 579 Harper	<b>Tax Reform: <a href="#">HB 579</a></b> Creates a remote seller regime' with phased-in destination sourcing and local option compensating tax, a manufacturing equipment deduction, a \$4000/child personal income tax exemption to after the first, and market-based sourcing for business income tax sourcing purposes.	HTRC-HTRC
HB 582 Martinez	<b>Investment Tax Credit Changes: <a href="#">HB 582</a></b> Extends the effectively sunseting credit to 2030, and increases the amount of qualified expenditure covered by employees from \$500K to \$750K. Also, allows the credit to offset applicable gross receipts tax rates.	HTRC-HTRC
HB 593 Akhil, Sarinana, Small	<b>Energy Storage Systems Gross Receipts: <a href="#">HB 593</a></b> Creates a personal and corporate income tax credit for 30% of the cost of an energy storage system, approved by the energy and minerals department, but not to exceed \$5K for residential and \$150K for commercial installations. Taxpayers may only claim a credit for one installation per year, unused credits may not be carried forward, and the credit program is capped at \$2M/per tax program per year.	HENRC/HTR C-HENRC
HB 594 Anderson	<b>Certain Film Tax Credit Claims: <a href="#">HB 594</a></b> Creates a temporary provision until 8/1/19 allowing for companies owed film credits to bid on a discounted payout amount, which the TRD by 8/19/19 will prioritize and pay up to \$100M of, representing payment in full of the discounted credits paid.	HCEDC/HAC F-HCEDC
HB 595 Ruiloba	<b>Remittance Of Gov't Gross Receipts: <a href="#">HB 595</a></b> Allows the New Mexico Finance Authority to pay 65% of its governmental gross receipts tax obligation two months after the end of the fiscal year, and then requires the Taxation and Revenue Department to distribute the remitted tax money to the payor agencies pro-rata based on the ratio of total GGRT paid by the payors.	HSEIC/HTR C-HSEIC
HB 596 Ruiloba	<b>Data Center Gross Receipts &amp; Property Tax: <a href="#">HB 596</a></b> Creates a new GRT deduction for the sale or lease of certain property with the use of a new NTTC, and the value of other "eligible costs" related to the project can be factored into the credit against compensating taxes due.	HCEDC/HTR C-HCEDC
HB 609 Gonzales, Ruiloba, Lundstrom	<b>Gas Tax Rate &amp; Distributions: <a href="#">HB 609</a></b> Creates a state road maintenance fund and increases the gasoline and special fuels taxes (by 10 and 6 cents/per gal respectively. Roughly half of the new tax revenue is distributed to the new fund and for	HTPWC/HTR C-HTPWC

	maintenance and repair, and half to the counties and municipalities for maintenance and repair.	
HB 612 Akhil, Ely, Small, Sarinana	<b>Motor Vehicle Excise for Electric Cars: <a href="#">HB 612</a></b> Restores the long-expired hybrid vehicle motor vehicle tax excise tax exemption (since 2009) and extends it to plug-in hybrids and electric vehicles until 2024	HENRC/HTR C-HENRC
HB 647 McQueen	<b>Limits on Valuation of Certain Property: <a href="#">HB 647</a></b> Amends the limitation on residential property valuation increases to 3% in 7-36-21.2 to exclude non-owner occupied properties (returning them to the default current and correct valuation standard).	HLLC/HTRC -HLLC
HB 650 Cook	<b>Lower Gaming Tax On Certain Licenses: <a href="#">HB 650</a></b> Until 2023, reduces the tax on gaming revenue for licensees whose net take in the prior year was <\$20M from 26 to 10 percent.	HCEDC/HTR C-HCEDC
HB 654 Maestas, Trujillo	<b>Film Production Tax Credit Changes: <a href="#">HB 654</a></b> Eliminates the extended payout schedule for credits in excess of certain amounts, eliminates the cap on annual credit payout, makes crediting the state of NM in a film negotiable, eliminates the requirement that certain production information be disclosed on the EDD website, eliminates certain specific information reporting requirements and makes remaining reporting requirements subjective.	HCEDC/HTR C-HCEDC
HB 656 Bash	<b>Gross Receipts on Certain Solar Systems: <a href="#">HB 656</a></b> Amends the definition of solar energy system in the gross receipts tax deduction to not require that it provide heat, hot water or energy to the to the property on which it is installed.	HENRC/HTR C-HENRC
SB 2 Rodriguez	<b>Film Tax Credit Changes: <a href="#">SB 2</a></b> Eliminates the extended payout schedule for credits in excess of certain amounts, eliminates the cap on annual credit payout, makes crediting the state of NM in a film negotiable, eliminates the requirement that certain production information be disclosed on the EDD website, eliminates certain specific information reporting requirements and makes remaining reporting requirements subjective.	SCORC/SFC- SCORC
SB 6 Wirth/Harper	<b>Tax Determination of In-State Sales: <a href="#">SB 6</a></b> Eliminates language in the distribution rules in the Tax Administration Act as well as in the tax refund designation language in the personal income tax act that limits contributions and distributions for purposes of assisting NM national guardsmen and their families when deployed overseas.	SCORC/SFC- SCORC
SB 7 Wirth	<b>Occupancy Tax for Affordable Housing: <a href="#">SB 7</a></b> Provides that up to on half of the occupancy tax imposed by a municipality pursuant to the Lodgers Tax Act attributable to “short term occupancy rentals” may be used for affordable housing.	SPAC/SCOR C/SFC- SPAC-DP- SCORC
SB 11 Cisneros	<b>Gross Receipt for Certain Nonprofit Organizations: <a href="#">SB 11</a></b>	SCORC/SFC- SCORC-DP-

	Adds prime contractors of federally designated national laboratories to the list of exceptions to the general gross receipts tax exemption for nonprofits (effectively targeting Los Alamos National Laboratories for taxations under the GRT).	SFC-DP- Passed/S – HTRC- HTRC-DP
SB 39 Stewart	<b>Solar Market Development Tax Credit: <a href="#">SB 39</a></b> Reinstates retroactively the sun-setted credit and changes program, caps the overall credit program at \$5M, and individual credits are limited to \$9K. Benefits are determined on a phased-in sliding scale of 10% of allowable costs if the system is installed prior to 1/1/21, and is reduced over time to 6% through 2033.	SCORC/SFC- SCORC
SB 71 McSorley	<b>Medical Cannabis Gross Receipts: <a href="#">SB 71</a></b> It just doesn't matter.	Tabled Indefinitely
SB 72 McSorley	<b>Increase Cigarette Tax and Distributions: <a href="#">SB 72</a></b> It just doesn't matter.	Tabled Indefinitely
SB 98 O'Neill	<b>Additional Upper-Tier Income Tax Brackets: <a href="#">SB 98</a></b> Adds an upper tax bracket of 8.2% for singles taxable income above \$250K, and married households with taxable income in excess of \$375K.	SCORC/SFC- SCORC
SB 106 Sapien	<b>Short-Term Occupancy Tax: <a href="#">SB 106</a></b> For purposes of the occupancy tax imposed by municipalities pursuant to the Lodgers Tax Act, eliminates the exclusion vendors who have three or fewer units.	SCORC- SCORC-DP- Passed/S- HTRC-DP- Passed/H- SGND
SB 113 Stefanics	<b>Local Economic Development Taxes: <a href="#">SB 113</a></b> Increases municipal and county infrastructure gross receipts tax rate maximums to 5/8%, increase the limit on the amount of local option infrastructure gross receipts tax (GRT) revenue that may be used towards professional services expenditures of an economic development, and requires new additional county option authority be subject to referendum.	SCORC/SFC- SCORC
SB 129 Candelaria	<b>Tax Protests &amp; Admin Hearing Office: <a href="#">SB 129</a></b> Changes a number of provisions in the Tax Administration Act designed to reduce protest volume make informal resolution of disputes easier and faster.	SCORC/SJC- SCORC- DP/a-SJC
SB 166 C Sanchez	<b>Increase Cigarette &amp; E-Cigarette Taxes: <a href="#">SB 166</a></b> Adds definitions of e-cigarette devices, liquids, and "little cigars" to the tobacco products tax act and subjects them to tax; increases cigarette taxes to 10 cents per cigarette; and creates a reduction in tax in the amount of 25 or 50% depending on if and what type of modified risk tobacco order has been issued by the U.S. Secretary of Health.	SPAC/SCOR C/SFC- SPAC-DP- SCORC
SB 183 Ortiz y Pino	<b>Increase Working Families Tax Credit: <a href="#">SB 183</a></b> Doubles the rate of credit from 10 to 20% of the federal earned income tax credit.	SCORC/SFC- SCORC

SB 220 Wirth	<b>Certain Property Tax Increase Limits: <a href="#">SB 220</a></b> Increases the income limit for those eligible for the property tax limitation (freeze) for disabled individuals over 65 from \$35K to \$50K of “modified” gross income in tax years 2020 and after.	SPAC/SCOR C-SPAC-DP- SCORC
SB 242 Ortiz y Pino	<b>Medical Cannabis Gross Receipts &amp; Deductions: <a href="#">SB 242</a></b> Adds “medical cannabis” to the oxygen and oxygen services gross receipts tax deduction found in 7-9-73.2.	SCORC/SFC- SCORC
SB 268 Wirth	<b>Agricultural Biomass Tax Credits: <a href="#">SB 268</a></b> Extends by ten years the present law personal and corporate income tax for biomass used in electricity generation or other specified ways by dairies and feedlots, from its current sunset of 1/1/2020 to 1/1/2030.	SCONC/SCO RC/SFC- SCONC-DP- SCORC
SB 300 C Sanchez	<b>Income Tax Dependent Deduction: <a href="#">SB 308</a></b> Creates a personal income tax deduction in the amount of \$4K per “dependent” (as defined in IRC Sec. §152) claimed on the federal return, if the personal exemption amount (IRC §151) means zero.	SCORC/SFC- SCORC
SB 308 Ortiz y Pino	<b>Tax Deduction of Certain Business Expenses: <a href="#">SB 308</a></b> Amends the definition of base income in the personal and corporate income tax acts to exclude ordinary and necessary business expenses otherwise allowed to be claimed as a federal tax deduction, but disallowed by IRC §280E, where those expenses were related to the lawful conduct of business in NM.	SCORC/SFC- SCORC
SB 330 Burt	<b>Military Retiree Income Tax Deduction: <a href="#">SB 330</a></b> Provides a phased-in deduction from military retirement income of “uniformed military retirees” starting at 25% not to exceed \$6250 for 2020, 50% not to exceed \$12.5K for 2021, 75% not to exceed \$18.75K for 2022, and 100% not to exceed \$25K in 2023 and thereafter.	SCORC/SFC- SCORC
SB 333 Sedillo Lopez, Woods	<b>Electric Vehicle Income Tax Credit: <a href="#">SB 333</a></b> Until 1/1/2027, creates refundable personal income tax credits for electric and hybrid vehicles, and charging devices. For cars, the credit is \$2500 \$3500 for those single filers with taxable income less than \$50K and married/joint and HoH filers earning less than \$75,000. The credit for charging devices is not means tested at \$300. The car program has an annual expenditure cap of \$5M, while the charger credit program is capped at \$500K. The proposal also increases fees on electric and hybrid vehicles (\$25 and \$15, respectively).	SCORC/SFC- SCORC
SB 335 Wirth/ Stansbury	<b>Combined Tax Reporting: <a href="#">SB 335</a></b> Requires separate taxpayers to file on a worldwide combined basis unless they make an election for water’s edge combined filing or, under present law, the federal consolidated reporting method. The proposal follows Finnegan combined approach and contains loss transition provisions.	SCORC/SFC- SCORC
SB 347 Munoz	<b>GRT Deduction for In State Transportation: <a href="#">SB 347</a></b> Creates a new GRT deduction of instate transportation services provided by a company located within 30 miles of a port of entry.	SCORC/SFC- SCORC

SB 348 Tallman	<b>Distribution of GRT or Income Tax: <a href="#">SB 348</a></b> Eliminates .225 of the 1.225% municipal distribution of GRT from the state's share and replaces it with an income tax distribution as calculated by the TRD.	SCORC/SFC- SCORC
SB 352 Padilla	<b>Data Center Gross Receipts: <a href="#">SB 352</a></b> Creates a new GRT deduction for the sale or lease of certain property with the use of a new NTTC, and the value of other "eligible costs" related to the project can be factored into the credit against compensating taxes due.	SCORC/SFC- SCORC
SB 358 Sharer	<b>Tax Reform: <a href="#">SB 358</a></b> Eliminate corporate and personal income tax, motor vehicle excise tax, eliminate most GRT exemptions and deductions and personal income tax	SCORC/SFC- SCORC
SB 375 Sapien	<b>Create Tenancy Tax: <a href="#">SB 375</a></b> Creates authority for local governments to impose a tenancy tax, similar to the lodgers tax, for periods in excess of 30 days.	SCORC/SFC- SCORC
SB 393 Soules	<b>Next Gen Carbon Emission Pricing Plan: <a href="#">SB 393</a></b> Imposes a gasoline and natural gas processor's surtax, and distributes proceeds to a newly created low income energy assistance fund.	SCORC/SFC- SCORC
SB 396 Ingle	<b>Local Gov't Tax Distribution Definitions: <a href="#">SB 396</a></b> Amends the definition of "average distribution or transfer amount" means the average <i>monthly</i> amount distributed to a city or county in the prior 36 months., or the average <i>monthly</i> amount distributed in the prior twelve months if the muni or county hasn't had distributions for 26 months or more.	SCORC/SFC- SCORC
SB 399 Munoz	<b>Wind Energy Production Tax Act: <a href="#">SB 399</a></b> Creates the Wind Energy Production Tax Act, imposes it at a rate of \$1/megawatt hr, and makes the tax subject to the provision of the tax administration act (TAA). Exempted are receipts of producers for their own use (and in excess of use not to exceed 500 kwh/24hr period, and receipts of the state, federal and tribal governments.	SCONC/SCO RC/SFC- SCONC
SB 413 Stewart	<b>Liquor Permit, Tax &amp; Definition Changes: <a href="#">SB 413</a></b> Provides for preferential liquor excise tax rates for cider sold by small wine growers and spiritous liquor sold by craft distillers licensed in NM. Also provides for sales by the drink by such producers at "public" and "private" celebrations. Also, increases the production limit for microbreweries by ten fold.	SPAC/SCOR C-SPAC
SB 421 Cisneros	<b>Tax Changes: <a href="#">SB 421</a></b> The Senate's first stab at a tax reform bill. Includes provisions for mandatory combined corporate income tax filing, market base sourcing, remote sales gross receipts taxation with destination based reporting and local option compensating tax (effective in the future), local option compensating tax, hospital taxation, hold harmless changes and GRT repeals, fuel tax and motor vehicle registration increases, and GRT rate reduction, but also includes a delayed repeal of the deduction for food.	SCORC/SFC- SCORC

SB 425 Munoz	<b>Dept. of Defense Satellite Gross Receipts: <a href="#">SB 425</a></b> Extends from 1/1/21 to 1/1/31 the present law GRT deduction for directed energy and satellite-related inputs for DoD contractors found in 7-9-115.	SCORC/SFC- SCORC
SB 449 Candelaria	<b>Presidential Candidate Income Tax Returns: <a href="#">SB 449</a></b> Requires the US presidential candidates provide the secretary of state copies of their most recent five federal income tax returns at least 75 days prior to the general election, or their name will not be printed on the ballot.	SRC/SJC- SRC
SB 451 C Sanchez	<b>Film Tax Credit Aggregate Claims: <a href="#">SB 451</a></b> Eliminates the carryforward queue and mandated multi-year payouts for claims in excess \$2 and \$5M, requiring claims be paid in the order received up to but not in excess of the cap.	SCORC/SFC- SCORC
SB 466 Ortiz y Pino	<b>Start-Up Business Gross Receipts: <a href="#">SB 466</a></b> Beginning on the day a qualified start up business registers with the TRD, creates a gross receipts tax deduction for all receipts for a period of five consecutive years. The business must have 10 or fewer employees, receipts of <\$500K, and be located within three miles of the exterior boundaries of a post-secondary education institution or within a research park.	SCORC/SFC- SCORC
SB 474 Campos	<b>Frontier Community Investment Tax Credit: <a href="#">SB 474</a></b> Creates a new corporate and personal income tax credit for qualified investments in frontier communities. The credit cannot exceed more than \$25K per qualified investment and a taxpayer is limited to \$100K in claims. The credit may be carried forward for up to 3 years, and both tax programs require a certificate of eligibility from the Economic Development Department which is limited to issuing no more than \$750K per year.	SCORC/SFC- SCORC
SB 475 Soules	<b>Request EMNRD to Draft Carbon Tax: <a href="#">SB 475</a></b> Appropriates \$250K in FYE 2020 for the EMNRD to develop a carbon tax plan.	SCONC/SFC- SCONC
SB 499 Sharer	<b>Climate Change Compliance Tax Credits: <a href="#">SB 499</a></b> Creates a personal and corporate income tax credit for costs incurred by a taxpayer complying with executive order 2019-003 that's subject to the oil and gas taxes.	SCONC/SCO RC/SFC- SCONC
SB 500	<b>Oil, Gas &amp; Vented Gas Royalties: <a href="#">SB 500</a></b> Requires oil royalties of 25% for all state trust land leases entered after 7/1/19 that produce in excess of 20K barrels of oil or 75K mcf of natural gas per month. Also requires 25% royalties on oil and natural gas "wasted" due to flaring, spill, theft, etc.	SCONC/SCO RC/SFC- SCONC
SB 504 Smith	<b>Gas Tax Amount &amp; Road Fund: <a href="#">SB 504</a></b> Creates a state road maintenance fund and increases the gasoline and special fuels taxes (by 10 and 6 cents/per gal respectively. Roughly half of the new tax revenue is distributed to the new fund and for	SCORC/SFC- SCORC

	maintenance and repair, and half to the counties and municipalities for maintenance and repair.	
SB 505 Smith/Ingle	<b>Motor Vehicle Tax to Road Fund: <a href="#">SB 505</a></b> Creates a state road maintenance fund and increases the motor vehicle excise tax from 3 to 4%. 48.44% would go the new maintenance fund, .312% to the road fund, and the remainder to the general fund.	SCORC/SFC- SCORC
SB 506 Smith	<b>Gas Tax to Road Fund &amp; Local Gov't: <a href="#">SB 506</a></b> Increase the gasoline and special fuels taxes by 5 cents per gallon each with the increased revenue shared by the state road fund and counties and municipalities.	SCORC/SFC- SCORC
SB 518 Stewart	<b>New Market Solar Development Tax Credit: <a href="#">SB 518</a></b> Until 2029, creates a new personal income tax credit not to exceed \$6 for 10% the purchase and installation costs of photovoltaic or solar thermal systems for use in residential, commercial, or agricultural applications. The credit may be carried forward for up to five years, and the credit program has an aggregate cap of \$10M.	SCORC/SFC- SCORC
SB 527 Padilla	<b>Tobacco Products Definitions &amp; Tax: <a href="#">SB527</a></b> Increases the tobacco products tax act rate from 25% to 36% and adds e-cigarette liquids and devices to the definition of tobacco products.	SCORC/SFC- SCORC
SB 549 Sanchez	<b>Chemicals and Reagents Gross Receipts: <a href="#">SB 549</a></b> Narrows the present law deduction by deleting the portion of the section allowing the deduction for chemicals and reagents in lots in excess of 18 tons.	SCORC/SFC- SCORC
SB 572 Cisneros	<b>Technology Readiness Gross Receipts Tax Credit: <a href="#">SB 572</a></b> Creates a new gross receipts tax credit for qualified expenditures not to exceed \$250K for providing technology readiness assistance services approved by the Economic Development Department (certificate of eligibility required) that creates technology maturation. The program is capped at \$2.5M and the credit cannot be used in conjunction the lab partnership tax credit.	SCORC/SFC- SCORC
SB 579 Burt	<b>Lower Gaming Tax on Certain Licenses: <a href="#">SB 579</a></b> Until 2023, reduces the tax on gaming revenue for licensees whose net take in the prior year was <\$20M from 26 to 10 percent.	SCORC/SFC- SCORC
SB 584 Smith/Ingle	<b>Local Option Food Gross Receipts Tax Act: <a href="#">SB 584</a></b> Imposes a new local tax on the sale of food which local governments can opt out of, and eliminates hold harmless payments to the local governments.	SCORC/SFC- SCORC
SB 585 Smith/Ingle	<b>Food Sale Gross Receipts and Hold Harmless: <a href="#">SB 585</a></b> Repeals the GRT deduction for the sale of food (7-9-92), the hold harmless distribution for food and medical services, and creates a gross receipts tax credit on the sale of food in the amount of the general fund portion of the tax (3.9% with muni boundaries, 5.125% without).	SCORC/SFC- SCORC
SB 602 Campos	<b>Federal Tax Benefit Tax Exemption: <a href="#">SB 602</a></b>	SCORC/SFC- SCORC

	Creates a new personal income tax exemption for federal retirement income pursuant to the Federal Employee's Retirement System Act of 1986.	
SB 609 Sanchez	<b>Gas, Fuel and Motor Vehicle Excise Taxes: <a href="#">SB 609</a></b> Increases the gasoline tax by 5 cents, the special fuels tax by 5 cents, and the motor vehicle excise tax by 1% to 4%; creates a special projects reserve fund; makes an appropriation of \$300M to the new reserve fund.	SCORC/SFC- SCORC

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## DON'T FORGET THE PRINCIPLES



It's important, particularly when dealing with tough economies, tough decisions, and the emotionally charged subject of taxes, to view the world in the context of principles. Taxes are good in that they raise the money we need to pay for the services we need. They can also be bad if they create inefficiencies, distortions, or inequities. It's a more rational approach to look at our entire tax system rather than getting lost in the weeds focusing only on a particular rate or some item we choose to tax or not tax. We must raise the revenue we need for government (putting aside the debate over how much) while doing the least harm to the economy and to those things we need most (e.g. job creation) while being fair and protecting the most vulnerable in our communities. Accordingly, we've taken the opportunity to reprint our principles of good tax policy here:

State and local taxes **should be adequate** to provide an appropriate level of those goods and services best provided by the public sector, such as education, public safety, law enforcement, streets and highways, and the courts.

State and local tax policy should **do the least harm to the private economy**. Therefore, tax bases should be as broad as possible so that tax rates can be as low as possible in order to raise the necessary revenues.

State and local tax policy should be **fair and equitable towards individuals and businesses similarly situated**. Individuals with the same income level should be taxed the same. Businesses engaged in similar commercial activities should be subject to the same level of taxation.

State and local tax policy **should not be costly to administer and should be easily understood** by taxpayers so as to minimize taxpayer compliance costs.

The state and local tax burden should be **evaluated on the basis of the impact of all taxes** levied on a given taxpayer, not just a single tax or tax rate.

**Deviations from established tax policy in pursuit of economic development, social or other goals should be well-reasoned** and pursued only when established tax policies are not significantly undermined and the results of such deviations can subsequently be measured and evaluated

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## KNICK KNACKS

This week, shamelessly borrowed from the Federation of Tax Administrators newsletter:

### *SUPREME COURT DOESN'T ALWAYS SURPRISE*

West Virginia was unsuccessful in its attempt to persuade the U.S. Supreme Court that it could grant a tax break for state law enforcement retirees without giving the same tax break to federal law enforcement retirees. The U.S. Supreme Court had ruled on the question originally in 1989 in *Davis v. Michigan* that a state cannot impose a heavier tax burden on federal employees than on its state employees. In today's decision, a unanimous court issued a short and to-the-point decision that said James Dawson, a retired federal marshal, should have received the same exemption as retired West Virginia law enforcement workers. Specifically, the Court held that 4 U.S.C. section 111 "disallows any state tax that discriminates against a federal officer or employee — not just those that seem especially cumbersome." The case is *Dawson v. Steager*.

### *LATEST FROM THE LAWMAKERS:*

Illinois Gov. Pritzker is pushing for the state to adopt a graduated income tax. The state constitution establishes a single rate tax, currently 4.95 percent for individuals.

Maryland lawmakers are debating whether to allow a taxpayer to calculate the state tax as though the federal return was itemized.

Nebraska's legislature is lumping together its Wayfair-related update with a variety of other tax provisions, including rate increases for cigarette, alcohol, sales and a surtax on high-income earners.

### *QUOTE OF THE WEEK*

Joe Crosby, CEO of MultiState Associates, writing for the MultiState Insider: "We anticipate that by the end of 2019 at least 35 sales tax states will require marketplaces to collect sales tax, and that by the end of 2020 economic nexus and marketplace collection will both be 'old news.'"

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## TAX QUOTABLES

"Success is the ability to move from one failure to another without loss of enthusiasm."

~ *Winston Churchill*

"If we want to be like the rest of the world, we need to be considering these alternatives. As long as we constrain ourselves from having good taxes, we'll continue having bad taxes."

~*Martin Sullivan (on the unwillingness of the US to discuss a value added tax)*

"It's income tax time again, Americans: time to gather up those receipts, get out those tax forms, sharpen up that pencil, and stab yourself in the aorta."

~ *Dave Barry*

“He was getting to the point that he didn't understand why tax attorneys didn't just kill themselves.”

~ *Orson Scott Card, First Meetings in Ender's Universe*

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**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](mailto: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.

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"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!