

BOARD OF COUNTY COMMISSIONERS  
OF SANTA FE COUNTY

RESOLUTION NO. 2012- 20

A RESOLUTION IN SUPPORT OF LEGISLATION CLOSING A CORPORATE TAX  
LOOPHOLE AND LOWERING RATES

**WHEREAS**, New Mexico is the last western state with a corporate tax that gives multistate corporations the option of avoiding the corporate tax paid by their New Mexico competitors;

**WHEREAS**, all New Mexico companies that file a "C" return pay 7.6 % tax on profits over 1 million dollars;

**WHEREAS**, multi-state companies doing business in New Mexico currently can choose to file either a "combined return," meaning that a percentage of the company's overall profit is allocated and taxed in New Mexico, or file what is called a "separate return";

**WHEREAS**, the "separate return", which this bill will ban, allows the multistate companies to "expense" profits earned in New Mexico to a state like Delaware or Nevada where there is no corporate tax, so that when companies do this, New Mexico loses its fair share of the tax that should be paid;

**WHEREAS**, taking away the "separate return" option will close the corporate tax loophole and level the playing field for New Mexico businesses, thereby also helping New Mexico small businesses formed as "S" corporations or limited liability companies that currently pay 4.9% income tax by ensuring their multistate competitors are not avoiding corporate tax;

**WHEREAS**, Senate Bill 9 lowers the top tax rate from 7.6% to 7.0%, a double win for New Mexico businesses: lower taxes plus a level playing field with their multi-state competitors;

**NOW, THEREFORE**, be it resolved by the Board of County Commissioners of Santa Fe County, that we urge the New Mexico State Senate and House of Representatives to adopt a bill during the 2012 New Mexico legislative session that takes away the "separate return" option from multistate companies doing business in New Mexico and that lowers the top rate of tax imposed on businesses.

**PASSED, APPROVED AND ADOPTED** this 31<sup>st</sup> January day of 2012.



COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss

BCC RESOLUTIONS  
PAGES: 2

I Hereby Certify That This Instrument Was Filed for  
Record On The 6TH Day Of February, 2012 at 11:01:04 AM  
And Was Duly Recorded as Instrument # 1659490  
Of The Records Of Santa Fe County

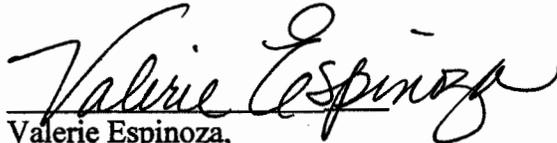
Deputy Marcella Palizas Witness My Hand And Seal Of Office  
Valerie Espinoza  
County Clerk, Santa Fe, NM

SFC CLERK RECORDED 02/06/2012

**THE BOARD OF COUNTY COMMISSIONERS  
OF SANTA FE COUNTY**

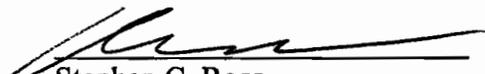
  
\_\_\_\_\_  
Liz Stefanius, Chair

**Attest:**

  
\_\_\_\_\_  
Valerie Espinoza,  
County Clerk



**Approved As To Form:**

  
\_\_\_\_\_  
Stephen C. Ross,  
County Attorney

SFC CLERK RECORDED 02/06/2012