

SANTA FE COUNTY

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ORDINANCE NUMBER 1982-6

INTRODUCED BY

Jose Martinez
Samuel Rodriguez
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AN ORDINANCE

AUTHORIZING A COUNTY SALES TAX PURSUANT TO SECTIONS 7-21-1 TO 7-21-7 NMSA 1978 TO BE USED TO FUND, PAY CLAIMS AND ADMINISTER THE INDIGENT HOSPITAL CLAIMS FUND, AND AUTHORIZING THE ORDINANCE BE SUBMITTED TO A VOTE OF THE ELECTORATE OF THE COUNTY.

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF SANTA FE:

Section 1. Title.

This ordinance may be cited as the "Santa Fe County Sales Tax Ordinance."

Section 2. Declaration of intent and purpose.

Pursuant to the County Sales Tax Act (Sections 7-21-1 to 7-21-7 NMSA 1978) which authorizes counties to enact a sales tax, it is hereby declared the purpose and intent of the Board of Commissioners of Santa Fe County to so enact an ordinance imposing a sales tax of one-fourth of one percent ($\frac{1}{4}$ of 1%) in compliance with the County Sales Tax Act. It is the further declared purpose and intent that this ordinance shall conform to the defini-

1 tions and applicable gross receipts tax provisions of the New Mexico Gross
2 Receipts and Compensating Tax, and any interpretation of this ordinance
3 should be in conformity with the applicable sections of the Gross Receipts
4 and Compensating Tax Act.

5 Section 3. Definitions.

6 As used in the Santa Fe County Sales Tax Ordinance:

7 A. "bureau" means the revenue division of the taxation and revenue
8 department, the director of that division or any employee of the division
9 exercising authority lawfully delegated to him by the director;

10 B. "buying" or "selling" means any transfer of property for con-
11 sideration or any performance of service for consideration;

12 C. "construction" means building, altering, repairing or demolishing in
13 the ordinary course of business any:

- 14 (1) road, highway, bridge, parking area, or related project;
- 15 (2) building, stadium, or other structure;
- 16 (3) airport, subway, or similar facility;
- 17 (4) park, trial, athletic field, golf course, or similar facility;
- 18 (5) dam, reservoir, canal, ditch, or similar facility;
- 19 (6) sewerage or water treatment facility, power generating plant,
20 pump station, natural gas compressing station or similar
21 facility;
- 22 (7) sewerage, water, gas, or other pipeline;
- 23 (8) transmission line;
- 24 (9) radio or other tower;
- 25 (10) water, oil or other storage tank;
- 26 (11) shaft, tunnel or other mining appurtenance; or
- 27 (12) similar work;

28 "construction" also means:

451502

1 (13) leveling or clearing land;

2 (14) excavating earth;

3 (15) drilling wells of any type, including seismograph shot holes
4 or core drilling; or

5 (16) similar work;

6 D. "financial corporation" means any savings and loan association, or
7 any incorporated savings and loan company, trust company, mortgage
8 banking company, consumer finance company or other financial
9 corporation;

10 E. "engaging in business" means carrying on or causing to be carried on
11 any activity with the purpose of direct or indirect benefit;

12 F. "gross receipts" means the total amount of money or the value of
13 other consideration received from selling property in New Mexico, from
14 leasing property employed in New Mexico, or from performing services in
15 New Mexico, and includes any receipts from sales of tangible personal
16 property handled on consignment but excludes cash discounts allowed and
17 taken, New Mexico gross receipts tax payable on transactions for the
18 reporting period and taxes imposed pursuant to the provisions of the
19 County Sales Tax Act, County Gross Receipts Tax Act or the Municipal
20 Gross Receipts Tax Act which are payable on transactions for the
21 reporting period and any type of time-price differential.

22 In an exchange in which the money or other consideration received does
23 not represent the value of the property or service exchanged, "gross
24 receipts" means the reasonable value of the property or service exchanged.
25 When the sale of property or service is made under any type of charge,
26 conditional or time-sales contract or the leasing of property is made
27 under a leasing contract, the seller or lessor may elect to treat all
28 receipts, excluding any type of time-price differential, under such

1 contracts as gross receipts as and when the payments are actually
2 received. If the seller or lessor transfers his interest in any such
3 contract to a third person, he shall pay the gross receipts tax upon
4 the full sale or leasing contract amount, excluding any type of time-
5 price differential.

6 "Gross receipts," for the purpose of the business of buying, selling or
7 promoting the purchase, sale or leasing, as an agent or broker, on a
8 commission or fee basis, of any property, service, stock, bond or
9 security, includes only the total commission or fees derived from the
11 business.

12 "Gross receipts" also includes amounts paid by members of any coopera-
13 tive association or similar organization for sales or leases of personal
14 property or performance of services by such organization;

15 G. "manufacturing" means combining or processing components or
16 materials to increase their value for sale in the ordinary course of
17 business but does not include construction;

18 H. "person" means:

19 (1) any individual, estate, trust, receiver, cooperative asso-
20 ciation, club, corporation, company, firm, partnership, joint ven-
21 ture, syndicate or other entity, including any gas, water or
22 electric utility owned or operated by a county, municipality or
23 other political subdivision of the state; or

24 (2) the United States or any agency or instrumentality thereof,
25 the state of New Mexico, or any political subbdivision thereof;

26 I. "property" means real property, tangible personal property, licen-
27 ses, franchises, patents, trademarks and copyrights. Tangible personal
28 property includes electricity and mobile homes.

1 J. "leasing" means any arrangement whereby, for a consideration, pro-
2 perty is employed for or by any person other than the owner of the
3 property;

4 K. "service" means all activities engaged in for other persons for a
5 consideration, which activities involve predominately the performance of
6 a service as distinguished from selling property. "Service" includes
7 activities performed by a person for its members or shareholders. In
8 determining what is a service, the intended use, principal objective or
9 ultimate objective of the contracting parties shall not be controlling.
10 "Service" includes construction activities and all tangible personal
11 property that will become an ingredient or component part of a construc-
12 tion project. However, sales of tangible personal property that will
13 become an ingredient or component part of a construction project to per-
14 sons engaged in the construction business are sales of tangible personal
15 property;

16 L. "use" or "using" includes use, consumption or storage other than
17 storage for subsequent sale in the ordinary course of business or for
18 use solely outside this state;

19 M. "director" means the director of the revenue division of the taxa-
20 tion and revenue department;

21 N. "division" means the revenue division of the taxation and revenue
22 department, the director of that division or any employee of the divi-
23 sion exercising authority lawfully delegated to him by the director;

24 O. "mobile home" means a house trailer that exceeds either a width of
25 eight feet or a length of forty feet when equipped for the road;

26 P. "County" means Santa Fe County; and

27 Q. "County sales tax" means the county sales tax imposed by the Santa
28 Fe County Sales Tax Ordinance.

1 Section 4. Imposition and rate of tax; presumption of tax
2 liability.

3 A. There is hereby imposed on the gross receipts of all retail busi-
4 nesses and services within the County an excise tax to be referred to
5 as the County sales tax. The rate of the tax shall be equal to one-
6 fourth of one percent ($\frac{1}{4}$ of 1%) of the gross receipts of all retail busi-
7 nesses and services within the County.

8 B. To prevent evasion of the County sales tax and to aid in its admi-
9 nistration, it is presumed that all receipts of retail businesses and
10 services within the County are subject to the County sales tax. Any
11 person engaged solely in transactions specifically exempt under the pro-
12 visions of the County Sales Tax Ordinance shall not be required to
13 register or file a return under this ordinance.

14 Section 5. Deposit of proceeds.

15 All revenues distributed to the County by the division pursuant to the
16 provisions of the County Sales Tax Ordinance shall be deposited in the
17 County Indigent Hospital Claims Fund of the County.

18 Section 6. Date payment due.

19 The taxes imposed by this ordinance are to be paid on or before the
20 twenty-fifth day of the month following the month in which the taxable
21 event occurs, or as otherwise authorized by the division.

22 Section 7. Exemptions

23 A. No County sales tax shall be imposed on the gross receipts arising
24 from:

25 (1) transmitting long distance or toll telecommunications; or

26 (2) transporting for hire persons or property by railroad, motor
27 vehicle, air transportation or any other means from one point within the
28 County to another point outside the County.

1 B. Exempted from the County sales tax are those receipts exempted in
2 paragraphs (1) through (21) of this Subsection of Section 7 of the
3 County Sales Tax Ordinance.

4 (1) Governmental agencies. Exempted from the County sales tax are
5 the receipts of the United States or any agency or instrumentality
6 thereof or the state of New Mexico or any political subdivision thereof.
7 Receipts from the sale of gas, water or electricity by a utility owned
8 or operated by a county, municipality or other political subdivision of
9 the state are not exempted from the County sales tax.

10 (2) Certain nonprofit facilities. Exempted from the County sales
11 tax are the receipts of nonprofit entities from the operation of facili-
12 ties designed and used for providing accommodations for retired elderly
13 persons.

14 (3) Wages. Exempted from the County sales tax are the receipts of
15 employees from wages, salaries, commissions, or from any other form of
16 remuneration for personal services.

17 (4) Agricultural products. Exempted from the County sales tax are
18 the receipts of growers, producers, trappers, or nonprofit marketing
19 associations from selling livestock, live poultry, unprocessed agri-
20 cultural products, hides or pelts. Persons engaged in the business of
21 buying and selling wool or mohair or of buying and selling livestock on
22 their own account are producers for the purposes of this section.
23 Receipts from selling dairy products at retail are not exempted from the
24 County sales tax.

25 (5) Livestock feeding. Exempted from the County sales tax are the
26 receipts of any person derived from feeding or pasturing livestock.
27 Receipts derived from penning or handling livestock prior to sale are
28 receipts derived from feeding livestock for the purpose of this sec-

1 tion. Receipts derived from training livestock are receipts derived
2 from feeding livestock for the purposes of this section.

3 (6) Vehicles. Exempted from the County sales tax are the receipts
4 from selling vehicles on which a tax is imposed Section 66-6-27 NMSA
5 1978 and on vehicles subject to registration under Section 66-3-16 NMSA
6 1978.

7 (7) Insurance companies. Exempted from the County sales tax are the
8 receipts of insurance or any agent thereof from premiums.

9 (8) Dividends and interest. Exempted from the County sales tax are
10 the receipts received as interest on money loaned or deposited, receipts
11 received as dividends or interest from stocks, bonds or securities or
12 receipts from the sale of stocks, bonds or securities.

13 (9) Fuel. Exempted from the County sales tax are the receipts from
14 selling and the use of gasoline or special fuel on which the tax imposed
15 by Sections 7-13-3 or 7-16-3 NMSA 1978 has been paid and not refunded.

16 (10) Occasional sale of property or services. Exempted from the
17 County sales tax are the receipts from the isolated or occasional sale
18 of or leasing of property or a service by a person who is neither regu-
19 larly engaged nor holding himself out as engaged in the business of
20 selling or leasing the same or similar property or service.

21 (11) Certain organizations. Exempted from the County sales tax are
22 the receipts of organizations that demonstrate to the Bureau that they
23 have been granted exemption from the federal income tax by the United
24 States commissioner of internal revenue as organizations described in
25 Section 501(c)(3) of the United States Internal Revenue Code of 1954, as
26 amended or renumbered.

27 This section does not apply to receipts derived from an unrelated trade
28 or business as defined in Section 513 of the United States Internal

1 Revenue Code of 1954, as amended or renumbered.

451508

2 (12) Resale activities of an armed forces instrumentality. Exempted
3 from the County sales tax are the receipts from selling tangible per-
4 sonal property and the use of property by an instrumentality of the
5 armed forces of the United States engaged in resale activities.

6 (13) Oil and gas or mineral interests. Exempted from the County
7 sales tax are the receipts from the sale of or leasing of oil, natural
8 gas or mineral interests.

9 (14) Persons subject to Oil and Gas Emergency School Tax Act. When a
10 privilege tax is imposed by the Oil and Gas Emergency School Tax Act,
11 the provisions of such act shall apply and determine the full measure of
12 tax liability for the privilege of engaging in the business stated in
13 the act, and no provision of the County Sales Tax Ordinance shall apply
14 to or create a tax liability for such privilege; except that any person
15 engaging in the business of severing oil, natural gas or liquid hydro-
16 carbons from the soil of this state, who sells oil, natural gas or
17 liquid hydrocarbons other than for subsequent resale in the ordinary
18 course of business or for use as an ingredient or component part of a
19 manufactured product is subject to the County Sales Tax Ordinance as to
20 those sales, as well as to the Oil and Gas Emergency School Tax Act. No
21 provision of the County Sales Tax Ordinance shall apply to the storage
22 of oil, natural gas or liquid hydrocarbons, individually or any com-
23 bination thereof, or to the use of such products for fuel in the opera-
25 tion of a "production unit" as defined by the Oil and Gas Emergency
26 School Tax Act.

27 (15) Refiners and persons subject to the Natural Gas Processors Tax
28 Act. When a privilege tax is imposed by the Natural Gas Processors Tax

1 Act, the provisions of the act shall apply and determine the full
2 measure of tax liability for the privilege of engaging in the business
3 stated in the act and no provision of the County Sales Tax Ordinance
4 shall apply to or create a tax liability for such privilege, except that
5 any producer or processor of natural gas or liquid hydrocarbons who
6 sells natural gas or liquid hydrocarbons other than for subsequent
7 resale in the ordinary course of business or for use as an ingredient or
8 component part of a manufactured product is subject to the County Sales
9 Tax Ordinance as to those sales, as well as to the Natural Gas
10 Processors Tax Act. No provision of the County Sales Tax Ordinance
11 shall apply to the storage or use of oil, natural gas or liquid hydro-
12 carbons, individually or any combination thereof, when stored or used by
13 a "processor," as defined by the Natural Gas Processors Tax Act, or by a
14 person engaged in the business of refining oil, natural gas or liquid
15 hydrocarbons, who stores or uses the oil, natural gas or liquid hydro-
16 carbons in the regular course of his refining business.

17 (16) Persons subject to Resources Excise Tax Act. When a privilege
18 tax is imposed by the Resources Excise Tax Act, the provisions of the
19 act shall apply and determine the full measure of tax liability for the
20 privilege of engaging in the business stated in the act, and no provi-
21 sion of the County Sales Tax Ordinance shall apply to or create a tax
22 liability for such privilege, except as is provided in Section 7-25-8
23 NMSA 1978.

24 (17) Oil and gas consumed in the pipeline transportation of oil and
25 gas products. Exempted from the County sales tax are receipts from the
26 sale of oil, natural gas, liquid hydrocarbon or any combination thereof
27 consumed as fuel in the pipeline transportation of such products.

28 (18) Fees from social organizations.

1 (a) Exempted from the County sales tax are the receipts from dues
2 and registration fees of nonprofit social, fraternal, political, trade,
3 labor or professional organizations and business leagues.

4 (b) For the purposes of this section:

5 1. "dues" means amounts that a member of an organization pays
6 at recurring intervals to retain membership in an organization where
7 such amounts are used for the general maintenance and upkeep of the
8 organization; and

9 2. "registration fees" means amounts paid by persons to attend
10 a specific event sponsored by an organization to defray the cost of the
11 event.

12 (19) Purses and jockey remuneration at New Mexico racetracks.
13 Exempted from the County sales tax are the receipts of horsemen, jockeys
14 and trainers from purses at New Mexico horse racetracks subject to taxes
15 levied under Section 60-1-15 NMSA 1978.

16 (20) Religious activities. Exempted from the County sales tax are
17 the receipts of a minister of a religious organization, which organiza-
18 tion has been granted an exemption from federal income tax by the United
19 States commissioner of internal revenue as an organization described in
20 Section 501(c)(3) of the United States Internal Revenue Code of 1954, as
21 amended or renumbered, from religious services provided by the minister
22 to an individual recipient of the service.

23 (21) Theatrical and television films and tapes. Exempted from the
24 County sales tax are the receipts from the leasing or licensing of
25 theatrical and television films and tapes of any kind.

26 Section 8. Nontaxable transaction certificates, farmers' and
27 ranchers' statements, and other evidence required to entitle persons to
28 deductions.

1 A. All nontaxable transaction certificates executed by buyers or
2 lessees should be in the possession of the seller or lessor for non-
3 taxable transactions at the time the nontaxable transactions occur.
4 If the seller or lessor is not in possession of these nontaxable
5 transaction certificates within sixty days from the date notice
6 requiring the possession of these nontaxable transaction certificates is
7 given the seller or lessor by the director or his delegate, deductions
8 claimed by the seller or lessor which require delivery of these non-
9 taxable transaction certificates shall be disallowed. The nontaxable
10 transaction certificates shall contain the information and be in a form
11 prescribed by the bureau. Only buyers or lessees who have a registra-
12 tion number or have applied for a registration number and have not been
13 refused one under Subsection C of Section 7-1-12 NMSA 1978 shall execute
14 nontaxable transaction certificates. When the seller or lessor accepts
15 a nontaxable transaction certificate within the required time and in
16 good faith that the buyer or lessee will employ the property or service
17 transferred in a nontaxable manner, the properly executed nontaxable
18 transaction certificate shall be conclusive evidence, and the only
19 material evidence, that the proceeds from the transaction are deductible
20 from the seller's or lessor's gross receipts.

21 B. Properly executed documents required to support the deductions
22 provided in Sections 7-9-57, 7-9-58 and 7-9-74 NMSA 1978 should be in
23 the possession of the seller at the time the nontaxable transactions
24 occur. If the seller is not in possession of these documents within
25 sixty days from the date notice requiring the possession of these docu-
26 ments is given to the seller by the director or his delegate, deductions
27 claimed by the seller or lessor which require delivery of these docu-
28 ments shall be disallowed. These documents shall contain the infor-

1 mation, and be in a form, prescribed by the bureau. When the seller
2 accepts these documents within the required time and in good faith that
3 the buyer will employ the property or service transferred in a non-
4 taxable manner, the properly executed documents shall be conclusive evi-
5 dence, and the only material evidence, that the proceeds from the tran-
6 saction are deductible from the seller's gross receipts.

7 C. Notification, as that term is used in this section, is sufficient if
8 the notice is mailed or served as provided in Subsection A of Section
9 7-1-9 NMSA 1978. Notice by the director under this section shall not be
10 given prior to the commencement of an audit of the seller from whom
11 the documents are required.

12 Section 9. Suspension of the right to use a nontaxable transaction
13 certificate.

14 If the director suspends the right of any person to use nontaxable transac-
15 tion certificates pursuant to Section 7-9-44 NMSA 1978, such suspension
16 applies to the use of such certificates under the County Sales Tax Ordinance.

17 Section 10. Deductions.

18 In computing the County sales tax due, only those receipts specified in
19 Subsections (A) through (FF) of Section 10 of the County Sales Tax
20 Ordinance may be deducted. Receipts, whether specified once or several
21 times in Subsections (A) through (FF) of Section 10, may be deducted only
22 once from gross receipts.

23 A. Sales to manufacturers. Receipts from selling tangible personal
24 property may be deducted from gross receipts if the sale is made to a
25 person engaged in the business of manufacturing who delivers a nontaxable
26 transaction certificate to the seller. The buyer delivering the nontaxable
27 transaction certificate must incorporate the tangible personal property as
28 an ingredient or component part of the product which he is in the business

1 of manufacturing.

2 B. Sales of tangible personal property for resale. Receipts from
3 selling tangible personal property may be deducted from gross receipts if
4 the sale is made to a person who delivers a nontaxable transaction cer-
5 tificate to the seller. The buyer delivering the nontaxable transaction
6 certificate must resell the tangible personal property either by itself or
7 in combination with other tangible personal property in the ordinary course
8 of business.

9 C. Sales of a service for resale. Receipts from selling a service for
10 resale may be deducted from gross receipts if the sale is made to a person
11 who delivers a nontaxable transaction certificate. The buyer delivering
12 the nontaxable transaction certificate must separately state the value of
13 the service purchased in his charge for the service on its subsequent sale,
14 and the subsequent sale must be in the ordinary course of business and sub-
15 ject to the County sales tax.

16 D. Sale of tangible personal property for leasing. Receipts from
17 selling tangible personal property, other than furniture or appliances, the
18 receipts from the rental or lease of which are deductible under Subsection
19 C of Section 7-9-53 NMSA 1978, and other than mobile homes may be deducted
20 from gross receipts if the sale is made to a person who delivers a non-
21 taxable transaction certificate to the seller. The buyer delivering the
22 nontaxable transaction certificate must be engaged in a business which
23 derives a substantial portion of its receipts from leasing or selling
24 tangible personal property of the type leased. The buyer may not utilize
25 the tangible personal property in any manner other than holding it for
26 lease or sale, or leasing or selling it either by itself or in combination
27 with other tangible personal property in the ordinary course of business.

28 E. Lease for subsequent lease. Receipts from leasing tangible personal

1 property, other than furniture or appliances, the receipts from the rental
2 or lease of which are deductible under Subsection C of Section 7-9-53 NMSA
3 1978, and other than mobile homes may be deducted from gross receipts if
4 the lease is made to a lessee who delivers a nontaxable transaction cer-
5 tificate to the lessor. The lessee delivering the nontaxable transaction
6 certificate may not use the tangible personal property in any manner other
7 than for subsequent lease in the ordinary course of business.

8 F. Sale of tangible personal property to persons engaged in the
9 construction business.

10 (1) Receipts from selling tangible personal property may be
11 deducted from gross receipts if the sale is made to a person engaged in the
12 construction business who delivers a nontaxable transaction certificate to
13 the seller.

14 (2) The buyer delivering the nontaxable transaction certificate
15 must incorporate the tangible personal property as:

16 (a) an ingredient or component part of a construction project
17 which is subject to the County sales tax upon its completion or upon the
18 completion of the overall construction project of which it is a part; or

19 (b) an ingredient or component part of a construction project
20 which is subject to the County sales tax upon the sale in the ordinary
21 course of business of the real property upon which it was constructed.

22 G. Sale of construction services to persons engaged in the construction
23 business.

24 (1) Receipts from selling a construction service may be deducted
25 from gross receipts if the sale is made to a person engaged in the
26 construction business who delivers a nontaxable transaction certificate to
27 the person performing the construction service.

28 (2) The buyer delivering the nontaxable transaction certificate

1 must have the construction services performed upon:

451515

2 (a) a construction project which is subject to the County
3 sales tax upon its completion or upon the completion of the overall
4 construction project of which it is a part; or

5 (b) a construction project which is subject to the County
6 sales tax upon the sale in the ordinary course of business of the real property
7 upon which it was constructed.

8 H. Sale or lease of real property and lease of mobile homes.

9 (1) Receipts from the sale or lease of real property, and from the
10 lease of a mobile home and as provided in Subsection (2) of this section,
11 other than receipts from the sale or lease of oil, natural gas or mineral
12 interests exempted by Section 7-9-32 NMSA 1978 may be deducted from gross
13 receipts. However, that portion of the receipts from the sale of real pro-
14 perty which is attributable to improvements constructed on the real pro-
15 perty by the seller in the ordinary course of his construction business may
16 not be deducted from gross receipts.

17 (2) Receipts received by hotels, motels, rooming houses,
18 campgrounds, guest ranches, trailer parks, or similar facilities, except
19 receipts received by trailer parks from the rental of a space or a mobile
20 home for a period of at least one month, from lodgers, guests, roomers or
21 occupants are not receipts from leasing real property for purposes of this
22 section.

23 (3) Receipts attributable to the inclusion of furniture or applian-
24 ces furnished as part of a leased or rented dwelling house, mobile home or
25 apartment by the landlord or lessor may be deducted from gross receipts.

26 I. Sales to governmental agencies. Receipts from selling tangible per-
27 sonal property, other than nonfissionable metalliferous mineral ore, to the
28 United States or any agency or instrumentality thereof, or the state of New

1 Mexico or any political subdivision thereof may be deducted from gross
2 receipts. Receipts from selling tangible personal property, other than
3 nonfissionable metalliferous mineral ore, to the governing body of an
4 Indian tribe or Indian pueblo for use on Indian reservations or pueblo
5 grants may be deducted from gross receipts. That portion of the receipts
6 from performing a service as defined in Subsection K of Section 7-9-3 NMSA
7 1978 which reflects the value of tangible personal property utilized or
8 produced in performance of such service is not deductible.

9 J. Transactions in interstate commerce. Receipts from transactions in
10 interstate commerce may be deducted from gross receipts to the extent that
11 the imposition of the County sales tax would be unlawful under the United
12 States Constitution. Receipts from transmitting messages or conversations
13 by telegraph, telephone or radio other than from one point in this state to
14 another point in this state and receipts from the sale of radio or televi-
15 sion broadcast time when the advertising message is supplied by or on
16 behalf of a national or regional seller or advertiser not having its prin-
17 cipal place of business in or being incorporated under the laws of this
18 state, may be deducted from gross receipts. Commissions of advertising
19 agencies from performing services in this state may not be deducted from
20 gross receipts under this section.

21 K. Intrastate transportation and services in interstate commerce.

22 (1) Receipts from transporting persons or property from one point
23 to another in this state may be deducted from gross receipts when such per-
24 sons or property, including any special or extra service reasonably
25 necessary in connection therewith, are being transported in interstate or
26 foreign commerce under a single contract.

27 (2) Receipts from handling, storage, drayage or packing of property
28 or any other accessorial services on property, which property has moved or

1 will move in interstate or foreign commerce, when such services are per-
2 formed by a local agent for a carrier or a carrier, and when such services
3 are performed under a single contract in relation to transportation ser-
4 vices, may be deducted from gross receipts.

5 L. Sale of certain services to an out-of-state buyer.

6 (1) Receipts from performing a service other than a legal,
7 accounting or architectural service may be deducted from gross receipts
8 if the sale of the service is made to a buyer who delivers to the
9 seller either a nontaxable transaction certificate or other evidence
10 acceptable to the director that the transaction does not contravene
11 the conditions set out in Subsection (3) of this section.

12 (2) The buyer delivering the nontaxable transaction certificate or
13 other evidence acceptable to the director must not contravene the con-
14 ditions set out in Subsection (3) of this section.

15 (3) Receipts from performance of a service shall not be subject to
16 the deduction provided in this section if the buyer of the service, any
17 of his employees or any person in privity with him:

18 (a) makes initial use of the product of the service in New
19 Mexico;

20 (b) takes delivery of the product of the service in New
21 Mexico; or

22 (c) concurrent with the performance of the service, has a
23 regular place of work in New Mexico or spends more than brief and occa-
24 sional periods of time in New Mexico and:

25 (i) has any communication in New Mexico related in any
26 way to the subject matter, performance or administration of the service,
27 with the person performing the service; or

28 (ii) himself performs work in New Mexico related to the

1 subject matter of the service.

2 M. Feed; fertilizers. Receipts from selling feed for livestock, fish
3 raised for human consumption, poultry or for animals raised for their hides
4 or pelts, seeds, roots, bulbs, plants, soil conditioners, fertilizers,
5 insecticides, fungicides or weedicides or water for irrigation purposes may
6 be deducted from gross receipts if the sale is made to a person who states
7 in writing that he is regularly engaged in the business of farming,
8 ranching or the raising of animals for their hides or pelts. Receipts of
9 auctioneers from selling livestock or other agricultural products at auc-
10 tions may also be deducted from gross receipts.

11 N. Warehousing, threshing, harvesting, growing, cultivating and pro-
12 cessing agricultural products.

13 (1) Receipts from warehousing grain or other agricultural products
14 may be deducted from gross receipts.

15 (2) Receipts from threshing, cleaning, growing, cultivating or har-
16 vesting agricultural products, including the ginning of cotton or pro-
17 cessing for growers, producers or nonprofit marketing associations of other
18 agricultural products raised for food and fiber, including livestock, may
19 be deducted from gross receipts.

20 O. Sales to certain organizations. Receipts from selling tangible
21 personal property, other than metalliferous mineral ore, to organizations
22 that have been granted exemption from the federal income tax by the United
23 States commissioner of internal revenue as organizations described in
24 Section 501(c)(3) of the United States Internal Revenue Code of 1954, as
25 amended or renumbered, may be deducted from gross receipts if the sale is
26 made to an organization that delivers a nontaxable transaction certificate
27 to the seller. The buyer delivering the nontaxable transaction certificate
28 must employ the tangible personal property in the conduct of the functions

1 described in Section 501(c)(3) and must not employ the tangible personal
2 property in the conduct of an unrelated trade or business as defined in
3 Section 513 of the United State Internal Revenue Code of 1954, as amended
4 or renumbered. Receipts from selling tangible personal property that will
5 become an ingredient or component part of a construction project are not
6 receipts from selling tangible personal property for purposes of this section.

7 P. Certain receipts. Receipts from charges made in connection with the
8 organization, making or assumption of a loan or from charges made for
9 handling loan payments may be deducted from gross receipts.

10 Q. Agricultural implements, aircraft, vehicles that are not required to
11 be registered. Fifty per cent of the receipts from selling agricultural
12 implements, farm tractors, aircraft or vehicles that are not required to
13 be registerd under the Motor Vehicle Code (Chapter 66 NMSA 1978) may be
14 deducted from gross receipts. Any deduction allowed under Section 7-9-71
15 NMSA 1978 must be taken before the deduction allowed by this section is
16 computed.

17 R. Publication sales. Receipts from publishing newspapers or magazi-
18 nes, except from selling advertising space, may be deducted from gross
19 receipts. Receipts from selling magazines at retail may not be deducted
20 from gross receipts.

21 S. Newspaper sales. Receipts from selling newspapers, except from
22 selling advertising space, may be deducted from receipts.

23 T. Chemicals and reagents. Receipts from selling chemicals or reagents
24 to any mining, milling or oil company for use in processing ores or oil in
25 a mill, smelter or refinery or in acidizing oil wells, and receipts from
26 selling chemicals or reagents in lots in excess of eighteen tons may be
27 deducted from gross receipts. Receipts from selling explosives, blasting
28 powder or dynamite may not be deducted from gross receipts.

1 U. Commissions. Receipts derived from commissions on sales of tangible
2 personal property which are not subject to the County sales tax may be
3 deducted from gross receipts.

4 V. Refunds; uncollectible debts. Refunds and allowances made to buyers
5 or amounts written off the books as an uncollectible debt by a person
6 reporting County sales tax on an accrual basis may be deducted from gross
7 receipts. If debts reported uncollectible are subsequently collected, such
8 receipts shall be included in gross receipts in the month of collection.

9 W. Warranty obligations. Receipts of a dealer from furnishing goods or
10 services to the purchaser of tangible personal property to fulfill a
11 warranty obligation of the manufacture of the property may be deducted from
12 gross receipts.

13 X. Administrative and accounting services. Receipts of a corporation
14 for administrative and accounting services performed by it for a wholly
15 owned subsidiary corporation upon a nonprofit or cost basis, and receipts
16 from a wholly owned subsidiary for the joint use or sharing of office
17 machines and facilities upon a nonprofit or cost basis, may be deducted
18 from gross receipts.

19 Y. Rental or lease of vehicles used in interstate commerce. Receipts
20 from the rental or leasing of vehicles used in the transportation of
21 passengers or property for hire in interstate commerce under the regula-
22 tions or authorization of any agency of the United States may be deducted
23 from gross receipts.

24 Z. Trade-in allowance. That portion of the receipts of a seller that
25 is represented by a trade-in of tangible personal property of the same type
26 being sold, except for the receipts represented by a trade-in of a mobile
27 home, may be deducted from gross receipts.

28 AA. Special fuel.

1 (1) Receipts from the sale of special fuel, as defined in Section
2 7-16-2 NMSA 1978, may be deducted from gross receipts if the purchaser is a
3 bonded special fuel user under Section 7-16-10 NMSA 1978 who delivers a
4 nontaxable transaction certificate to the seller. If the purchaser deli-
5 vering the nontaxable transaction certificate is not subsequently required
6 to pay the excise tax imposed by Section 7-16-3 NMSA 1978 on a quantity of
7 the special fuel purchased, the compensating tax is due on the value of the
8 fuel upon which the excise tax was not paid when the special fuel is used.

9 (2) Receipts from the sale of special fuel delivered into the
10 supply tank, as the term is defined in Section 7-16-2 NMSA 1978, of any
11 vehicle the user of which is subject to the provisions of 7-16-9 NMSA 1978,
12 may be deducted from gross receipts.

13 BB. Sale of prosthetic devices. Receipts from selling prosthetic devi-
14 ces may be deducted from gross receipts if the sale is made to a person who
15 is licensed to practice medicine, osteopathy, dentistry, podiatry, opto-
16 metry, chiropractic or professional nursing and who delivers a nontaxable
17 transaction certificate to the seller. The buyer delivering the nontaxable
18 transaciton certificate must deliver the prosthetic device incidental to
19 the performance of a service and must include the value of the prosthetic
20 device in his charge for the service.

21 CC. Sale of property used in the manufacture of jewelry. Receipts from
22 selling tangible personal property may be deducted from gross receipts if
23 the sale is made to a person who states in writing that he will use the
24 property so purchased in manufacturing jewelry. The buyer must incorporate
25 the tangible personal property as an ingredient or component part of the
26 jewelry that he is in the business of manufacturing. The deduction allowed
27 a seller under this section shall not exceed the sum of one thousand
28 dollars (\$1000.00) during any twelve-month period attributable to purchases

1 by a single purchaser.

2 DD. Sale of certain services performed directly on product
3 manufactured. Receipts from selling the service of combining or processing
4 components or materials may be deducted from gross receipts if the sale is
5 made to a person engaged in the business of manufacturing who delivers a
6 nontaxable transaction certificate to the seller. The buyer delivering the
7 nontaxable transaction certificate must have the service performed directly
8 upon tangible personal property which he is in the business of manufac-
9 turing or upon ingredients or component parts thereof.

10 EE. Travel agents' commissions paid by certain entities. Receipts of
11 travel agents derived from commissions paid by maritime transportation com-
12 panies and interstate airlines, railroads and passenger buses for booking,
13 referral, reservation or ticket services may be deducted from gross
14 receipts.

15 FF. Certain mobile homes. Receipts from the resale of a mobile home
16 may be deducted from gross receipts if the sale is made of a mobile home
17 that was subject to the gross receipts, compensating or motor vehicle
18 excise tax upon its initial sale or use in New Mexico. The seller must
19 retain and furnish proof satisfactory to the director that a gross
20 receipts, compensating or motor vehicle excise tax was paid upon the ini-
21 tial sale or use in New Mexico of a mobile home, and in the absence of such
22 proof, it is presumed that the tax was not paid. Proof that a New Mexico
23 certificate of title was issued for a mobile home in 1972 or prior year or
24 proof that a mobile home for which a New Mexico certificate of title has
25 been issued was manufactured in 1967 or a prior year is proof that a motor
26 vehicle excise tax was paid on the initial sale or use in New Mexico of
27 that mobile home.

28 Section 11. Revenue division as agent for collection; county liable on

1 **refunds.** The county hereby appoints the revenue division as its agent to
2 administer and enforce the collection of the County sales tax. The Tax
3 Administration Act, Sections 7-1-1 to 7-1-82 NMSA 1978, applies to the
4 administration and enforcement of the County Sales Tax Ordinance. Any
5 refund or other reimbursement which is due a taxpayer under the County
6 Sales Tax Ordinance is a debt owing to such taxpayer from the County. The
7 division may remit such refund or reimbursement to the taxpayer and deduct
8 an equivalent amount from current collections attributable to the County.
9 If the division is unable to otherwise satisfy all refunds and reimbur-
10 sements that are due and owing, the division shall so advise the County,
11 and the County shall treat such refunds and reimbursements as extraor-
12 dinary, nonrecurring debts for which the County shall be liable as if it
13 had been a party to the claim for refund or reimbursement. Such debts
14 shall be satisfied by additional assessments of the citizens of the County
15 or by any other legal means. Should the division require it, the County
16 shall enter into a contract with the division the terms of which shall be
17 the same as those set forth in this section.

18 **Section 12. Cost of administration; deposit and use of revenues.** All
19 taxes and revenues collected pursuant to the County sales tax, with the
20 exception of those amounts which are withheld from the County pursuant to
21 Section 7-21-6 NMSA 1978 for administrative costs, shall be deposited by
22 the County to the credit of the County Indigent Hospital Claims Fund of the
23 County. This fund is to be used solely for the support of indigent hospi-
24 tal patients who are residents of the County.

25 **Section 13. Effective date.**

26 The effective date of the county Sales Tax Ordinance shall be July 1, 1983.

27 **Section 14. Expiration date.** The County Sales Tax Ordinance shall
28 expire five years from the effective date of the ordinance.

1 Section 15. Vote of electorate; adoption.

451524

2 A. The County Sales Tax Ordinance shall be submitted to a vote of the
3 electorate of the County.

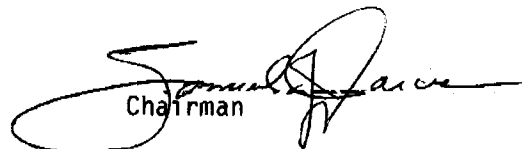
4 B. The ordinance shall be deemed to have been adopted on the date when
5 the results of the election at which the ordinance is submitted to a vote
6 of the electorate are certified to be in favor of its adoption.

7 Section 16. Severability.

8 If any part or parts or application of any part of the County Sales Tax
9 Ordinance is held invalid, such holding shall not affect the validity of
10 the remaining parts of the County Sales Tax Ordinance. The Board of County
11 Commisssioners hereby declares that it would have passed the remaining
12 parts of the County Sales Tax Ordinance even if it had known that such part
13 or parts or application of any part thereof would be declared invalid.
14 Further, the Board of County Commissioners declares that if any deduction
15 or exemption granted by the County Sales Tax Ordinance be held invalid, it
16 is the intent of the Board of County Commissioners that the unaffected
17 remainder of the County Sales Tax Ordinance be continued in full force and
18 effect, and that the taxpayers theretofore enjoying such deduction or
19 exemption shall thenceforth, from the effective date of the declaration of
20 invalidity, be liable for the rate of tax under Section 4 of the County
21 Sales Tax Ordinance.

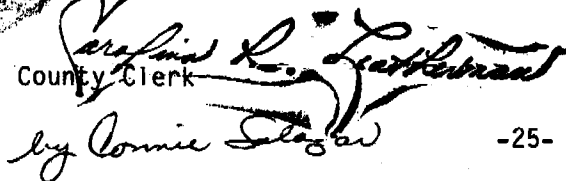
22 PASSED AND APPROVED AS TO FORM THIS 7th DAY OF September, 1982.

BOARD OF COUNTY COMMISSIONERS


Chairman



24
25
26
27
28
COUNTY CLERK


County Clerk
by Connie S. Sagar

451525

1 APPROVED AS TO THE FORM AND LEGAL SUFFICIENCY THIS 7th DAY OF September, 1982.
2 [Signature]
3 County Attorney

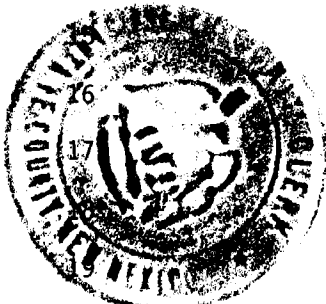
4
5 APPROVED AS TO THE FORM AND EFFECTIVE DATE THIS 20th DAY OF September
6 1982.

7 [Signature]
8 for Arthur B. Sneed, Director
9 Revenue Division

10
11 We hereby certify that the Santa Fe County Sales Tax Ordinance
12 was duly enacted by a vote of the electorate on November 2, 1982, and
13 the results were certified to us on November 12, 1982.

14
BOARD OF COUNTY COMMISSIONERS

[Signature]
Chairman



20 ATTEST:

21 [Signature]
22 County Clerk



505,753

26 STATE OF NEW MEXICO)
27 COUNTY OF SANTA FE)SS
28 Witness my Hand and Seal of Office
CAROLIN T. LEATHERMAN
County Clerk, Santa Fe County, N.M.

I hereby certify that this instrument was filed for
record on the 12 day of April, A.D.,
1980 at 1:23 o'clock P.m.,
and was duly recorded in book 451
page 505-753 of the records of Santa Fe County.
[Signature]
Deputy