



## VILLAGE OF CORRALES

### ORDINANCE NO. 13-010

#### **AN ORDINANCE ADOPTING A MUNICIPAL HOLD HARMLESS GROSS RECEIPTS TAX.**

**WHEREAS**, Senate Floor Amendment No. 1 to House Business and Industry Committee Substitute for House Bill 641 (“H.B. 641”) was adopted by the New Mexico legislature during the 2013 regular legislative session and was signed by the Governor of New Mexico on April 4, 2013, and has been chaptered as ch. 160, Laws 2013; and

**WHEREAS**, Subsection A of Section 11 of H.B. 641 provides that a municipality may impose by ordinance an excise tax not to exceed a rate of three-eighths of one percent (0.375%) of the gross receipts of any person engaging in business in the municipality; and

**WHEREAS**, Subsection B of Section 11 of H.B. 641 provides that any municipal excise tax so imposed may be referred to as the “municipal hold harmless gross receipts tax”; and

**WHEREAS**, Subsection C of Section 11 of H.B. 641 provides that a municipality imposing a municipal hold harmless gross receipts tax may, but is not required to, dedicate the revenues from such tax for specific municipal purposes; and

**WHEREAS**, Section 11 of H.B. 641 is effective July 1, 2013; and

**WHEREAS**, the Village Council, the governing body of the Village of Corrales (the “Village”) finds that a municipal hold harmless gross receipts tax should be imposed in the Village as authorized by H.B. 641 and that the proceeds thereof should be used for general municipal purposes.

**NOW, THEREFORE, BE IT ORDAINED** by the Governing Body of the Village of Corrales, New Mexico, that:

**Section 1. Imposition of Tax.** There is imposed on any person engaging in business in this municipality for the privilege of engaging in business in this municipality an excise tax equal to three eighths of one percent (0.375%) of the gross receipts reported or required to be reported by the person pursuant to the New Mexico Gross Receipts and Compensating Tax Act as it now exists or as it may be amended. The tax imposed under this Ordinance is pursuant to the Municipal Local Option Gross Receipts Taxes Act as it now exists or as it may be amended and shall be known as the “municipal hold harmless gross receipts tax.”

**Section 2. General Provisions.** This Ordinance hereby adopts by reference all definitions, exemptions and deductions contained in the Gross Receipts and Compensating Tax Act as it now exists or as it may be amended.

**Section 3. Specific Exemptions.** No municipal hold harmless gross receipts tax shall be imposed on the gross receipts arising from:

- A. transporting persons or property for hire by railroad, motor vehicle, air transportation or any other means from one point within the municipality to another point outside the municipality;
- B. a business located outside the boundaries of the municipality on land owned by that municipality for which a state gross receipts tax distribution is made pursuant to Subsection C of Section 7-1-6.4 NMSA 1978; or
- C. direct broadcast satellite services.

**Section 4. Dedication.** Revenue from the municipal hold harmless gross receipts tax will be used for the purposes listed below:

General municipal purposes..

**Section 5. Effective Date.** The effective date of the municipal hold harmless gross receipts tax shall be either January 1, or July 1, whichever date occurs first after the expiration of three months from the date this Ordinance is adopted.


**PASSED, APPROVED AND ADOPTED** by the Governing Body of the Village of Corrales, New Mexico, this 23<sup>rd</sup> day of July, 2013.

APPROVED:



The Honorable Philip Gasteyer  
Mayor

ATTEST:



Allyson E Smith  
Deputy Clerk