



**NEW MEXICO
BUSINESS COALITION**

PO Box 95735
Albuquerque, NM 87199
(505) 836-4223 FAX (505) 836-4522
www.nmbizcoalition.org

RE: HB 207 Business to Business Service Gross Receipts - NMBC Supports

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. Our focus is to make New Mexico a better place to live and work, where we have an abundance of good-paying jobs to provide for our families.

NMBC supports HB 207 Business to Business Service Gross Receipts. It will ease business-to-business taxation in New Mexico's tax code, which has long been a burdensome problem for our businesses.

HB 207 provides deductions to the gross receipts tax (GRT) for certain business-to-business transactions. It allows for GRT deductions on accounting services, engineering services, financial management services, information technology services, human resources services, legal services, and temporary services, provided these sales are made to a sole proprietorship, a limited liability company, a partnership, a corporation, or an entity with a New Mexico tax identification number or equivalent identification number from another state. It also would provide relief for the purchaser who presents to the seller a nontaxable transaction certificate or alternative evidence entitling a person to a deduction pursuant to Section 7-9-43 NMSA 1978. Any such deduction must be reported as required by the taxation department.

This change to our tax code will also help make New Mexico more attractive for outside businesses to establish a presence in our state. This will promote job creation and, hopefully, lift some of our economically challenged people out of poverty. This is critical for our state which is in the top three states for poverty nationwide.

NMBC has advocated for many years for a complete rewrite or replacement of New Mexico's tax code. This bill will provide some simplification until that can occur. NMBC supports HB 207 Business to Business Service Gross Receipts and urges you to say 'YES' to its passage.

Thank you for your consideration of my comments,

A handwritten signature in blue ink that reads "Carla J. Sonntag".

Carla J. Sonntag
CEO