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1 WHEREAS, by the time the state mandated phase out is completed, the
2 state will have taken from the City approximately \$37 million in recurring
3 revenue; and

4 WHEREAS, in addition, since the beginning of the great recession gross
5 receipts tax revenue has underperformed projections, resulting in the City
6 having to employ austerity measures in order to balance the budget; and

7 WHEREAS, one of those austerity measures was suspending hiring for
8 positions within many City departments, including Planning, Environmental
9 Health, DMD, and Parks & Recreation; and

10 WHEREAS, suspending hiring for vacant positions has resulted in many
11 departments having large numbers of critical positions unfilled, including
12 code enforcement specialists, building inspectors, plan checkers, engineers,
13 skilled trades workers, and parks maintenance personnel; and

14 WHEREAS, additional funding is necessary to ensure that the City can fill
15 these critical positions and continue to provide the high level of municipal
16 services that Albuquerque's citizens expect and deserve; and

17 WHEREAS, public safety will be the first priority for utilizing the additional
18 tax revenues generated by the municipal hold harmless gross receipts tax
19 described below.

20 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
21 ALBUQUERQUE:

22 Section 1. Imposition of Tax. There is imposed on any person
23 engaging in business in this municipality for the privilege of engaging in
24 business in this municipality an excise tax equal to three eighths of one
25 percent (.375%) of the gross receipts reported or required to be reported by
26 the person pursuant to the New Mexico Gross Receipts and
27 Compensating Tax Act as it now exists or as it may be amended. The tax
28 imposed under this ordinance is pursuant to the Municipal Local Option Gross
29 Receipts Taxes Act as it now exists or as it may be amended and shall
30 be known as the "municipal hold harmless gross receipts tax."

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

1 Section 3. Specific Exemptions. No municipal gross receipts tax shall be
2 imposed on the gross receipts arising from:

3 A. transporting persons or property for hire by railroad, motor vehicle, air
4 transportation or any other means from one point within the municipality to
5 another point outside the municipality;

6 B. a business located outside the boundaries of a municipality on land
7 owned by that municipality for which a state gross receipts tax distribution is
8 made pursuant to Subsection C of Section 7-1-6.4 NMSA 1978; or

9 C. direct broadcast satellite services.

10 Section 4. Dedication. Revenue from the municipal hold harmless gross
11 receipts tax will be used for general municipal purposes.

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

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