



Legislation Details (With Text)

File #: O-22-1
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File created: 1/19/2022 **In control:** City Council
Final action: 4/4/2022
Enactment date: **Enactment #:**
Title: C/S Amending Enactment No. O-2018-001 (Council Bill No. O-18-9) To Rescind One Eighth Of One Percent (.125%) Of The Overall Three Eighths Of One Percent (.375%) Gross Receipts Tax Imposed Thereby (Lewis)
Sponsors: Dan Lewis
Indexes:
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Attachments: 1. O-1.pdf, 2. O-1 Approved Committee Substitute.pdf

Date	Ver.	Action By	Action	Result
4/4/2022	2	City Council	Passed	Fail
3/21/2022	2	City Council	Postponed	Pass
2/14/2022	1	Finance & Government Operations Committee	Substituted	Pass
2/14/2022	1	Finance & Government Operations Committee	Postponed as Substituted	Pass
1/19/2022	1	President		
1/19/2022	1	City Council	Introduced and Referred	

CITY of ALBUQUERQUE
TWENTY FIFTH COUNCIL

COUNCIL BILL NO. C/S O-22-1 ENACTMENT NO. _____

SPONSORED BY: DAN LEWIS

ORDINANCE

C/S Amending Enactment No. O-2018-001 (Council Bill No. O-18-9) To Rescind One Eighth Of One Percent (.125%) Of The Overall Three Eighths Of One Percent (.375%) Gross Receipts Tax Imposed Thereby (Lewis)

WHEREAS, On March 5, 2018 Albuquerque City Council adopted a three eighths of one percent (.375%) Gross Receipts Tax (the "2018 Increment"); and

WHEREAS, as of Fiscal Year 2021, the receipts generated by the 2018 Increment have transitioned from the required 60% Public Safety focus, to being available to support the City's general operating fund; and

WHEREAS, notwithstanding the economic challenges faced by the City and our community during the COVID-19 pandemic, with support from the Federal Government, the City has managed to evade layoffs and other financial hardships and appears well positioned to continue to fund critical services; and

WHEREAS, given that the initial public safety purpose of the tax has now sunset, and given the relatively strong fiscal footing of the City going forward, the City should repeal the 2018 Increment as a way to assist consumers and businesses; and

WHEREAS, to the extent the City has future revenue needs it should first examine the efficiency and priority of its services and programs as a first measure of fiscal accountability; now

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

SECTION 1. Enactment No. O-2018-001 (Council Bill No. O-18-9), effective March 5, 2018, is amended to rescind one eighth of one percent (.125%) of the overall three eighths of one percent (.375%) Municipal Hold Harmless Gross Receipts Tax imposed thereby. This change becomes effective on July 1, 2022, resulting in a one quarter of one percent (.25%) Municipal Hold Harmless Gross Receipts Tax thereafter.

SECTION 2. Sections 4-3-9-1 through 5, ROA 1994, are amended as followed:

"PART 9: MUNICIPAL HOLD HARMLESS GROSS RECEIPTS TAX

§ 4-3-9-1 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 (.375%)~~ one fourth of one percent (.25%) 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 section is pursuant to the Municipal Local Option Gross Receipts Taxes Act as it ~~[now exists or as it may be amended~~ existed at the time of origination] and shall be known as the "municipal hold harmless gross receipts tax."

§ 4-3-9-2 GENERAL PROVISIONS.

This section 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.

§ 4-3-9-3 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 a municipality on land owned by that municipality for which a state gross receipts tax distribution is made pursuant to Section 7-1-6.4
- (C) NMSA 1978; or
- (C) Direct broadcast satellite services.

§ 4-3-9-4 DEDICATION.

Revenue from the municipal hold harmless gross receipts tax will be used for the purposes listed below:

- (A) In fiscal years [~~2019 and 2020~~ 2023 through 2028] no less than 60% of the tax receipts shall be used for the city's Public Safety Budget Goal Priorities[, and thereafter for general purpose].
- (B) [~~General municipal purposes~~ In fiscal years 2023 through 2028 no less than 40% of the tax receipts shall be used toward addressing homelessness and affordable housing, and thereafter for general purpose].”

§ 4-3-9-5 EFFECTIVE DATE.

The effective date of the municipal hold harmless gross receipts tax shall be July 1, 20[~~18~~22].”

SECTION 2. A certified copy of this Ordinance shall be provided to the Taxation and Revenue Department within five (5) days after the date this Ordinance is enacted.

SECTION 3. COMPILATION. The ordinance amendment prescribed by SECTION 1 shall amend, be incorporated in, and be made part of the Revised Ordinances of Albuquerque, New Mexico 1994.

SECTION 4. EFFECTIVE DATE. Pursuant to NMSA 1978, Section 7-19D-3, this Ordinance shall be effective on July 1, 2022.