

MODEL ORDINANCE - Municipal LEDA LOGRT - 2025
Local Economic Development Act Local Option Gross Receipts Tax
Adopting a Tax Increment

ORDINANCE NUMBER
ADOPTING A LOCAL ECONOMIC DEVELOPMENT ACT LOCAL OPTION
GROSS RECEIPTS TAX

BE IT ORDAINED BY THE GOVERNING BODY OF
(Name of Municipality):

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 one-fourth of one percent (0.25%) 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 ordinance is pursuant to the Municipal Local Option Gross Receipts and Compensating Taxes Act and the Local Economic Development Act as they now exist or as they may be amended and shall be known as the "Local Economic Development Act local option 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 Local Economic Development Act local option 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 Subsection C of Section 7-1-6.4 NMSA 1978; or
- C. direct broadcast satellite services.

Section 4. Dedication. Revenue from the Local Economic Development Act local option gross receipts tax will be used for the purposes below:

A. Economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide Economic Development Finance Act, provided:

- 1) arts and cultural districts created pursuant to the Arts and Cultural District Act are a qualifying purpose;
- 2) cultural facilities are a qualifying entity; and
- 3) retail businesses are a qualifying entity.

Section 5. Effective Date. The effective date of the Local Economic Development Act local option gross receipts tax shall be July 1, following the election whose results are certified to be in favor of the ordinance's adoption and the adopted ordinance is delivered or mailed to the Taxation and Revenue Department.

Section 6. Delayed Repeal. (Optional) Ordinance Number (if it becomes law) is repealed effective (date) .

ADOPTED BY THE GOVERNING BODY OF THIS DAY OF 20 .

ATTEST:

(Signatures of Municipal Clerk and Mayor)

NOTE: Per LEDA, "retail business" means a business that is primarily engaged in the sale of goods or commodities at retail and that is located: (1) in a municipality with a population, according to the most recent federal decennial census, of: (a) fifteen thousand or less; or (b) more than fifteen thousand if the economic development project is not funded or financed with state government revenues; or (2) in an unincorporated area of a county.