

**Opinion No. 53-5845**

November 13, 1953

**BY:** RICHARD H. ROBINSON, Attorney General

**TO:** J. C. Bergere, Director School Tax Division Bureau of Revenue Santa Fe, New Mexico

{\*264} In your letter received by this office on November 9, 1953, you request an opinion concerning liability of the Zia Company to pay excise taxes to the State upon its activities at Los Alamos, New Mexico, in connection with the operation of the Lodge, consisting of a hotel, bar and restaurant which is open to the general public. You state that up to October 1, 1953, the Zia Company, in connection with the Lodge operation, has been exempt by the School Tax Division on the theory that the Company was performing an activity for the Atomic Energy Commission which was exempt from all State taxation under the Atomic Energy Commission Act of 1946.

The last sentence of § 9b, Ch. 724, 60 Stats. 765, being a portion of the Atomic Energy Commission Act. reads as follows:

"The Commission, and property, activities, and income of the Commission, are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision thereof."

S 671 approved August 13, 1953, being P. L. 262 passed by the 83rd Congress, amends § 9-b of the Atomic Energy Commission Act of 1946 by striking out the last sentence of said Act, which is quoted above, and {\*265} the amendment is made effective only as to tax liabilities which accrue on or after October 1, 1953.

It is, therefore, our opinion that the Zia Company should be required to pay a gross receipts tax upon the operation of Los Alamos in connection with the Lodge from and after October 1, 1953, pursuant to the Act of Congress above mentioned.

By: C. C. McCulloh

Assist. Attorney General