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SENATE BILL 86

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Carlos R. Cisneros

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING AN EXEMPTION FROM MOTOR VEHICLE
EXCISE TAX FOR CERTAIN NEW FUEL-EFFICIENT VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-22 NMSA 1978 (being Laws 1969,
Chapter 144, Section 15, as amended) is amended to read:

"7-9-22. EXEMPTION--GROSS RECEIPTS TAX--VEHICLES. --

Exempted from the gross receipts tax are the receipts from
selling vehicles on which a tax is imposed by the Motor Vehicle
Excise Tax Act, [~~and on~~] vehicles subject to registration under
Section 66-3-16 NMSA 1978 and vehicles exempt from the motor
vehicle excise tax pursuant to Subsection F of Section 7-14-6
NMSA 1978. "

Section 2. Section 7-9-23 NMSA 1978 (being Laws 1969,
Chapter 144, Section 16, as amended) is amended to read:

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1 "7-9-23. EXEMPTION--COMPENSATING TAX--VEHICLES. -- Exempted
2 from the compensating tax is the use of vehicles on which the
3 tax imposed by the Motor Vehicle Excise Tax Act has been paid,
4 [~~and on~~] the use of vehicles subject to registration under
5 Section 66-3-16 NMSA 1978 and the use of vehicles exempt from
6 the motor vehicle excise tax pursuant to Subsection F of
7 Section 7-14-6 NMSA 1978. "

8 Section 3. Section 7-14-6 NMSA 1978 (being Laws 1988,
9 Chapter 73, Section 16, as amended) is amended to read:

10 "7-14-6. EXEMPTIONS FROM TAX. --

11 A. Persons who acquire a vehicle out of state
12 thirty or more days before establishing a domicile in this
13 state are exempt from the tax if the vehicle was acquired for
14 personal use.

15 B. Persons applying for a certificate of title for
16 a vehicle registered in another state are exempt from the tax
17 if they have previously registered and titled the vehicle in
18 New Mexico and have owned the vehicle continuously since that
19 time.

20 C. Certificates of title for all vehicles owned by
21 this state or any political subdivision are exempt from the
22 tax.

23 D. A vehicle subject to registration under Section
24 66-3-16 NMSA 1978 is exempt from the tax.

25 E. Persons who acquire vehicles for subsequent

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1 lease shall be exempt from the tax if:

2 (1) the person does not use the vehicle in any
3 manner other than holding it for lease or sale or leasing or
4 selling it in the ordinary course of business;

5 (2) the lease is for a term of more than six
6 months;

7 (3) the receipts from the subsequent lease are
8 subject to the gross receipts tax; and

9 (4) the vehicle does not have a gross vehicle
10 weight of over twenty-six thousand pounds.

11 F. Vehicles that are gasoline-electric hybrid
12 vehicles with a United States environmental protection agency
13 fuel economy rating of at least twenty-seven and one-half miles
14 per gallon are eligible for a one-time exemption from the tax
15 at the time of the issuance of the original certificate of
16 title for the vehicle."

17 Section 4. EFFECTIVE DATE. --The effective date of the
18 provisions of this act is July 1, 2004.