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HOUSE BILL 460

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

John Block

AN ACT

RELATING TO TAXATION; REPEALING THE LIQUOR EXCISE TAX ACT, THE DISTRIBUTIONS OF THE LIQUOR EXCISE TAX AND THE LOCAL DWI GRANT PROGRAM ACT; MAKING CONFORMING AND TECHNICAL CHANGES.

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

SECTION 1. Section 7-1-2 NMSA 1978 (being Laws 1965, Chapter 248, Section 2, as amended) is amended to read:

"7-1-2. APPLICABILITY.--The Tax Administration Act applies to and governs:

A. the administration and enforcement of the following taxes or tax acts as they now exist or may hereafter be amended:

- (1) Income Tax Act;
- (2) Withholding Tax Act;
- (3) Oil and Gas Proceeds and Pass-Through

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1 Entity Withholding Tax Act;
2 (4) Gross Receipts and Compensating Tax Act,
3 Interstate Telecommunications Gross Receipts Tax Act and Leased
4 Vehicle Gross Receipts Tax Act;
5 [~~(5)~~] (5) Local Liquor Excise Tax Act;
6 [~~(6)~~] (6) any municipal local option gross
7 receipts tax or municipal compensating tax;
8 [~~(7)~~] (7) any county local option gross
9 receipts tax or county compensating tax;
10 [~~(8)~~] (8) Special Fuels Supplier Tax Act;
11 [~~(9)~~] (9) Gasoline Tax Act;
12 [~~(10)~~] (10) petroleum products loading fee,
13 which fee shall be considered a tax for the purpose of the Tax
14 Administration Act;
15 [~~(11)~~] (11) Alternative Fuel Tax Act;
16 [~~(12)~~] (12) Cigarette Tax Act;
17 [~~(13)~~] (13) Estate Tax Act;
18 [~~(14)~~] (14) Railroad Car Company Tax Act;
19 [~~(15)~~] (15) Investment Credit Act, rural job
20 tax credit, Laboratory Partnership with Small Business Tax
21 Credit Act, Technology Jobs and Research and Development Tax
22 Credit Act, Film Production Tax Credit Act, Affordable Housing
23 Tax Credit Act and high-wage jobs tax credit;
24 [~~(16)~~] (16) Corporate Income and Franchise Tax
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1 Act;
2 [~~(18)~~] (17) Uniform Division of Income for Tax
3 Purposes Act;
4 [~~(19)~~] (18) Multistate Tax Compact;
5 [~~(20)~~] (19) Tobacco Products Tax Act;
6 [~~(21)~~] (20) the telecommunications relay
7 service surcharge imposed by Section 63-9F-11 NMSA 1978, which
8 surcharge shall be considered a tax for the purposes of the Tax
9 Administration Act;
10 [~~(22)~~] (21) the Insurance Premium Tax Act;
11 [~~(23)~~] (22) the Health Care Quality Surcharge
12 Act;
13 [~~(24)~~] (23) the Cannabis Tax Act; and
14 [~~(25)~~] (24) the Health Care Delivery and
15 Access Act;

16 B. the administration and enforcement of the
17 following taxes, surtaxes, advanced payments or tax acts as
18 they now exist or may hereafter be amended:

- 19 (1) Resources Excise Tax Act;
- 20 (2) Severance Tax Act;
- 21 (3) any severance surtax;
- 22 (4) Oil and Gas Severance Tax Act;
- 23 (5) Oil and Gas Conservation Tax Act;
- 24 (6) Oil and Gas Emergency School Tax Act;
- 25 (7) Oil and Gas Ad Valorem Production Tax Act;

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- 1 (8) Natural Gas Processors Tax Act;
- 2 (9) Oil and Gas Production Equipment Ad
- 3 Valorem Tax Act;
- 4 (10) Copper Production Ad Valorem Tax Act;
- 5 (11) any advance payment required to be made
- 6 by any act specified in this subsection, which advance payment
- 7 shall be considered a tax for the purposes of the Tax
- 8 Administration Act;
- 9 (12) Enhanced Oil Recovery Act;
- 10 (13) Natural Gas and Crude Oil Production
- 11 Incentive Act; and
- 12 (14) intergovernmental production tax credit
- 13 and intergovernmental production equipment tax credit;
- 14 C. the administration and enforcement of the
- 15 following taxes, surcharges, fees or acts as they now exist or
- 16 may hereafter be amended:
- 17 (1) Weight Distance Tax Act;
- 18 (2) the workers' compensation fee authorized
- 19 by Section 52-5-19 NMSA 1978, which fee shall be considered a
- 20 tax for purposes of the Tax Administration Act;
- 21 (3) Uniform Unclaimed Property Act (1995);
- 22 (4) 911 emergency surcharge and the network
- 23 and database surcharge, which surcharges shall be considered
- 24 taxes for purposes of the Tax Administration Act;
- 25 (5) the solid waste assessment fee authorized

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1 by the Solid Waste Act, which fee shall be considered a tax for
2 purposes of the Tax Administration Act;

3 (6) the water conservation fee imposed by
4 Section 74-1-13 NMSA 1978, which fee shall be considered a tax
5 for the purposes of the Tax Administration Act; and

6 (7) the gaming tax imposed pursuant to the
7 Gaming Control Act; and

8 D. the administration and enforcement of all other
9 laws, with respect to which the department is charged with
10 responsibilities pursuant to the Tax Administration Act, but
11 only to the extent that the other laws do not conflict with the
12 Tax Administration Act."

13 SECTION 2. Section 7-1-82 NMSA 1978 (being Laws 1973,
14 Chapter 179, Section 1, as amended) is amended to read:

15 "7-1-82. TRANSFER, ASSIGNMENT, SALE, LEASE OR RENEWAL OF
16 LIQUOR LICENSE.--

17 A. The director of the alcoholic beverage control
18 division of the regulation and licensing department shall not
19 allow the transfer, assignment, lease or sale of any liquor
20 license pursuant to the provisions of the Liquor Control Act
21 until the director receives written notification from the
22 secretary or secretary's delegate that:

23 (1) the licensee or any person authorized to
24 use the license is not a delinquent taxpayer as provided in
25 Section 7-1-16 NMSA 1978 only with respect to ~~the liquor~~

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1 ~~excise tax or~~] the gross receipts tax; or

2 (2) the transferee, assignee, buyer or lessee
3 has entered into a written agreement with the secretary or
4 secretary's delegate in which the transferee, assignee, buyer
5 or lessee has assumed full liability for payment of all taxes
6 due or that may become due from the licensee with respect to
7 [~~the liquor excise tax or~~] the gross receipts tax.

8 B. The director of the alcoholic beverage control
9 division of the regulation and licensing department shall not
10 allow the renewal of any liquor license pursuant to the
11 provisions of the Liquor Control Act until the director
12 receives notification from the secretary or secretary's
13 delegate that on a certain date:

14 (1) the licensee is not a delinquent taxpayer
15 as provided in Section 7-1-16 NMSA 1978 only with respect to
16 [~~the liquor excise tax or~~] the gross receipts tax; and

17 (2) there are no unfiled tax returns due from
18 the licensee with respect to [~~the liquor excise tax or~~] the
19 gross receipts tax."

20 SECTION 3. Section 60-6A-11.1 NMSA 1978 (being Laws 2011,
21 Chapter 109, Section 1) is amended to read:

22 "60-6A-11.1. DIRECT WINE SHIPMENT PERMIT--
23 AUTHORIZATION--RESTRICTIONS.--

24 A. A licensee with a winegrower's license or a
25 person licensed in a state other than New Mexico that holds a
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1 winery license may apply to the director for and the director
2 may issue to the applicant a direct wine shipment permit. An
3 application for a direct wine shipment permit shall include:

4 (1) contact information for the applicant in a
5 form required by the department;

6 (2) an annual application fee of fifty dollars
7 (\$50.00) if the applicant does not hold a winegrower's license;

8 (3) the number of the applicant's winegrower's
9 license if the applicant is located in
10 New Mexico or a copy of the applicant's winery license if the
11 applicant is located in a state other than New Mexico; and

12 (4) any other information or documents
13 required by the director. Upon approval of an applicant for a
14 permit, the director shall forward to the taxation and revenue
15 department the name of each permittee and the contact
16 information for the permittee.

17 B. A direct wine shipment permit shall be valid for
18 a permit year. A permittee shall renew a direct wine shipment
19 permit annually as required by the department to continue
20 making direct shipments of wine to New Mexico residents.

21 C. A permittee may ship:

22 (1) not more than two nine-liter cases of wine
23 monthly to a New Mexico resident who is twenty-one years of age
24 or older for the recipient's personal consumption or use, but
25 not for resale; and

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1 (2) wine directly to a New Mexico resident
2 only in containers that are conspicuously labeled with the
3 words:

4 "CONTAINS ALCOHOL
5 SIGNATURE OF PERSON 21 YEARS OR OLDER REQUIRED
6 FOR DELIVERY".

7 D. A permittee shall:

8 (1) register with the taxation and revenue
9 department for the payment of [~~liquor excise tax and~~] gross
10 receipts taxes due on the sales of wine pursuant to the
11 permittee's activities in New Mexico;

12 (2) submit to the jurisdiction of New Mexico
13 courts to resolve legal actions that arise from the shipping by
14 the permittee of wine into New Mexico to New Mexico residents;

15 (3) monthly, by the twenty-fifth day of each
16 month following the month in which the permittee was issued a
17 direct wine shipment permit, pay to the taxation and revenue
18 department [~~the liquor excise tax due and~~] the gross receipts
19 tax due; and

20 (4) submit to an audit by an agent of the
21 taxation and revenue department of the permittee's records of
22 the wine shipped pursuant to this section to New Mexico
23 residents upon notice and during usual business hours.

24 E. As used in this section:

25 (1) "permit year" means the period between

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1 July 1 and June 30 of a year; and

2 (2) "permittee" means a person that is the
3 holder of a direct wine shipment permit."

4 SECTION 4. REPEAL.--Sections 7-1-6.40, 7-17-1 through
5 7-17-12 and 11-6A-1 through 11-6A-6 NMSA 1978 (being Laws 1997,
6 Chapter 182, Section 1, Laws 1966, Chapter 49, Sections 1 and
7 2, Laws 1993, Chapter 65, Section 8, Laws 1984, Chapter 85,
8 Section 4, Laws 1966, Chapter 49, Sections 7 and 8, Laws 1969,
9 Chapter 80, Section 1, Laws 1984, Chapter 85, Section 8, Laws
10 1993, Chapter 65, Sections 1 through 5 and Laws 1997, Chapter
11 182, Section 2, as amended) are repealed.

12 SECTION 5. EFFECTIVE DATE.--The effective date of the
13 provisions of this act is July 1, 2025.

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