

A JOINT MEMORIAL

REQUESTING THE INTERIM REVENUE STABILIZATION AND TAX POLICY COMMITTEE TO EXAMINE ALTERNATIVE METHODS OF TAXING SALES OF ELECTRICITY THAT WILL PROTECT STATE AND LOCAL REVENUES AND RECOMMEND LEGISLATION TO THE FIRST SESSION OF THE FORTY-FIFTH LEGISLATURE.

WHEREAS, restructuring of the electric industry in New Mexico is mandated by the Electric Utility Restructuring Act of 1999, and competition will commence on January 1, 2001; and

WHEREAS, electricity providers located outside the borders of New Mexico are expected to compete with in-state utilities for customers in a competitive market; and

WHEREAS, it is not certain whether the gross receipts tax can be imposed on electricity sales outside the state and whether local governments in New Mexico may apply local option gross receipts taxes to those sales; and

WHEREAS, there is additional concern about loss of state and local revenues as a result of declining prices for electricity; and

WHEREAS, other states that have adopted electric utility restructuring have adopted or are examining alternative approaches to protecting their revenue sources, including taxation based on consumption;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO that it request the interim revenue stabilization and tax policy committee to examine

alternative methods of taxing electricity sales to protect New Mexico's important state and local revenue sources and to report its findings and recommendations for legislation to the first session of the forty-fifth legislature; and

BE IT FURTHER RESOLVED that copies of this memorial be given to the co-chairmen of the New Mexico legislative council and to the chairman and vice chairman of the revenue stabilization and tax policy committee. _____