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HOUSE BILL 23

44TH LEGISLATURE - STATE OF NEW MEXICO - 2ND SPECIAL SESSION, 2000

INTRODUCED BY

James G. Taylor

AN ACT

RELATING TO TAXATION; AMENDING THE DEFINITION OF SMALL
WINEGROWERS; AMENDING SECTIONS OF THE NMSA 1978; DECLARING AN
EMERGENCY.

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

Section 1. Section 7-17-2 NMSA 1978 (being Laws 1966,
Chapter 49, Section 2, as amended) is amended to read:

"7-17-2. DEFINITIONS.--As used in the Liquor Excise Tax
Act:

A. "alcoholic beverages" means distilled or
rectified spirits, potable alcohol, brandy, whiskey, rum, gin
and aromatic bitters or any similar alcoholic beverage,
including blended or fermented beverages, dilutions or mixtures
of one or more of the foregoing containing more than one-half
of one percent alcohol, but excluding medicinal bitters:

(1) "spirituous liquors" means alcoholic
beverages, except fermented beverages such as wine, beer, cider
and ale;

(2) "beer" means any alcoholic beverage

1 obtained by the fermentation of any infusion or decoction of
2 barley, malt and hops or other cereals in water and includes
3 porter, beer, ale and stout;

4 (3) "cider" means an alcoholic beverage made
5 from the normal alcoholic fermentation of the juice of sound,
6 ripe apples that contains not less than one-half of one percent
7 of alcohol by volume and not more than seven percent of alcohol
8 by volume;

9 (4) "fortified wine" means wine containing
10 more than fourteen percent alcohol by volume when bottled or
11 packaged by the manufacturer, but does not include:

12 (a) wine that is sealed or capped by
13 cork closure and aged two years or more;

14 (b) wine that contains more than
15 fourteen percent alcohol by volume solely as a result of the
16 natural fermentation process and has not been produced with the
17 addition of wine spirits, brandy or alcohol; or

18 (c) vermouth and sherry; and

19 (5) "wine" includes the words "fruit juices"
20 and means alcoholic beverages, other than cider, obtained by
21 the fermentation of the natural sugar contained in fruit or
22 other agricultural products, with or without the addition of
23 sugar or other products, that do not contain less than one-half
24 of one percent nor more than twenty-one percent alcohol by
25 volume;

B. "department" means the taxation and revenue
department, the secretary of taxation and revenue or any
employee of the department exercising authority lawfully
delegated to that employee by the secretary;

1 C. "microbrewer" means any person who produces
2 fewer than five thousand barrels of beer in a year;

3 D. "person" means any individual, estate, trust,
4 receiver, cooperative association, club, corporation, company,
5 firm, partnership, joint venture, syndicate or other
6 association; "person" also means, to the extent permitted by
7 law, any federal, state or other governmental unit or
8 subdivision or agency, department or instrumentality thereof;

9 E. "small winer or winegrower" means any person who
10 produces fewer than [~~three hundred seventy-five~~] five hundred
11 sixty thousand liters of wine in a year; and

12 F. "wholesaler" means any person holding a license
13 issued under Section 60-6A-1 NMSA 1978 or any person selling
14 alcoholic beverages that were not purchased from a person
15 holding a license issued under Section 60-6A-1 NMSA 1978."

16 Section 2. That version of Section 7-17-5 NMSA 1978
17 (being Laws 1993, Chapter 65, Section 8, as amended) effective
18 on July 1, 2000, is amended to read:

19 "7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX.--There
20 is imposed on any wholesaler who sells alcoholic beverages on
21 which the tax imposed by this section has not been paid an
22 excise tax, to be referred to as the "liquor excise tax", at
23 the following rates on alcoholic beverages sold:

24 A. on spirituous liquors, one dollar sixty cents
25 (\$1.60) per liter;

B. on beer, except as provided in Subsection E of
this section, forty-one cents (\$.41) per gallon;

C. on wine, except as provided in Subsections D and
F of this section, forty-five cents (\$.45) per liter;

underscored material = new
[bracketed material] = delete

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D. on fortified wine, one dollar fifty cents (\$1.50) per liter;

E. on beer manufactured or produced by a microbrewer and sold in this state, provided that proof is furnished to the department that the beer was manufactured or produced by a microbrewer, eight cents (\$.08) per gallon;

F. on wine manufactured or produced by a small winer or winegrower and sold in this state, provided that proof is furnished to the department that the wine was manufactured or produced by a small winer or winegrower, ten cents (\$.10) per liter on the first eighty thousand liters sold and twenty cents (\$.20) per liter on all liters sold over eighty thousand liters but less than [~~three hundred seventy five~~] five hundred sixty thousand liters; and

G. on cider, forty-one cents (\$.41) per gallon."

Section 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2000.

Section 4. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.