

1 HOUSE BILL 616

2 45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

3 INTRODUCED BY

4 Ray Begaye

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING FOR COOPERATIVE AGREEMENTS WITH  
12 THE NAVAJO NATION REGARDING SPECIAL FUELS; PERMITTING TAX  
13 CREDITS.

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

16 Section 1. A new section of the Taxation and Revenue  
17 Department Act is enacted to read:

18 "[NEW MATERIAL] COOPERATIVE AGREEMENTS WITH THE NAVAJO  
19 NATION. --

20 A. The secretary may enter into cooperative  
21 agreements with the Navajo Nation for the exchange of  
22 information and the reciprocal, joint or common enforcement,  
23 administration, collection, remittance and audit of revenues  
24 associated with the special fuel excise tax imposed by Section

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1 7-16A-3 NMSA 1978 and a qualifying excise, privilege or similar  
2 tax on special fuel imposed by the Navajo Nation.

3 B. Money collected by the department on behalf of  
4 the Navajo Nation in accordance with a cooperative agreement  
5 entered into pursuant to this section is not money of the state  
6 and shall be collected and disbursed in accordance with the  
7 terms of the cooperative agreement, notwithstanding any other  
8 provision of law.

9 C. The secretary is empowered to adopt rules and  
10 establish procedures deemed appropriate by the secretary for  
11 the collection and disbursement of excise, privilege or similar  
12 tax revenue due to the Navajo Nation and for the transfer of  
13 special fuel excise taxes collected by the Navajo Nation for  
14 the state under the terms of a cooperative agreement entered  
15 into pursuant to this section, including procedures for  
16 identification of taxpayers or transactions that are subject  
17 only to the taxing authority of the Navajo Nation, taxpayers or  
18 transactions that are subject only to the taxing authority of  
19 the state and taxpayers or transactions that are subject to the  
20 taxing authority of both parties' jurisdictions.

21 D. Nothing in a cooperative agreement entered into  
22 pursuant to this section shall be construed:

23 (1) to authorize the state or the Navajo  
24 Nation to tax persons or transactions that federal law  
25 prohibits;

1 (2) to authorize the state courts or the  
2 Navajo Nation courts to assert jurisdiction over persons who  
3 are not otherwise subject to those courts' jurisdictions;

4 (3) as affecting any issue of the respective  
5 civil or criminal jurisdictions of the state or the Navajo  
6 Nation; or

7 (4) as an assertion or an admission by either  
8 the state or the Navajo Nation that the taxes of one have  
9 precedence over the taxes of the other when the person or  
10 transaction is subject to the taxing authority of both  
11 governments.

12 E. A cooperative agreement entered into pursuant to  
13 this section shall be construed solely as an agreement between  
14 the two party governments and shall not alter or affect the  
15 government-to-government relations between the state and any  
16 other Indian nation, tribe or pueblo. "

17 Section 2. A new section of the Special Fuels Supplier  
18 Tax Act is enacted to read:

19 "[NEW MATERIAL] CREDIT--SPECIAL FUEL EXCISE TAX--TAX PAID  
20 TO NAVAJO NATION. --

21 A. If on a transaction taking place on land owned  
22 by or for the benefit of the Navajo Nation and located within  
23 the exterior boundaries of the Navajo Nation, a Navajo Nation  
24 tax has been imposed, the amount of the Navajo Nation tax may  
25 be credited against tax due to the state or its political

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1 subdivisions under the Special Fuels Supplier Tax Act. The  
2 amount of the credit shall be equal to the qualifying Navajo  
3 Nation tax imposed on the same transaction.

4 B. A Navajo Nation tax shall:

5 (1) not unlawfully discriminate among persons  
6 or transactions based on membership within the Navajo Nation;

7 (2) be substantially similar to the tax  
8 imposed by Section 7-16A-3 NMSA 1978; and

9 (3) be subject to a cooperative agreement that  
10 has been entered into between the Navajo Nation and the  
11 department pursuant to the provisions of the Taxation and  
12 Revenue Department Act and that is in effect at the time of the  
13 taxable transaction.

14 C. As used in this section, "Navajo Nation tax"  
15 means an excise, privilege or similar tax imposed by the Navajo  
16 Nation on special fuels."

17 Section 3. EFFECTIVE DATE. --The effective date of the  
18 provisions of this act is July 1, 2001.

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