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**HOUSE BILL 741**

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

**INTRODUCED BY**

**Miguel P. Garcia**

**AN ACT**

**RELATING TO TAXATION; EXEMPTING THE SALE OF ALTERNATIVE FUEL  
VEHICLES FROM THE MOTOR VEHICLE EXCISE TAX.**

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

**Section 1. Section 7-14-6 NMSA 1978 (being Laws 1988,  
Chapter 73, Section 16, as amended) is amended to read:**

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

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

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

underscored material = new  
[bracketed material] = delete

1 time.

2 C. Certificates of title for all vehicles owned by  
3 this state or any political subdivision are exempt from the  
4 tax.

5 D. A vehicle subject to registration under Section  
6 66-3-16 NMSA 1978 is exempt from the tax.

7 E. Persons who acquire vehicles for subsequent  
8 lease shall be exempt from the tax if:

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

12 (2) the lease is for a term of more than six  
13 months;

14 (3) the receipts from the subsequent lease  
15 are subject to the gross receipts tax; and

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

18 F. Vehicles that operate exclusively on  
19 alternative fuel, whether with a bi-fuel capability or  
20 dedicated engine configuration, are exempt from the tax. For  
21 purposes of this subsection, "alternative fuel" means natural  
22 gas, liquefied petroleum gas, electricity, hydrogen, a fuel  
23 mixture containing not less than eighty-five percent ethanol  
24 or methanol or a water-phased hydrocarbon fuel emulsion  
25 consisting of a hydrocarbon base and water in an amount not

underscored material = new  
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1 less than twenty percent by volume of the total water-phased  
2 fuel emulsion."

3 Section 2. EFFECTIVE DATE. -- The effective date of the  
4 provisions of this act is July 1, 2001.

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