

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 165

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

AN ACT

RELATING TO TAXATION; PROVIDING AN INTERGOVERNMENTAL TAX
CREDIT WITH RESPECT TO OIL AND GAS PRODUCTION; CREATING THE
JICARILLA APACHE TRIBAL CAPITAL IMPROVEMENTS TAX CREDIT.

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

Section 1. JICARILLA APACHE TRIBAL CAPITAL IMPROVEMENTS
TAX CREDIT. --

A. A person who is liable for the payment of the
oil and gas emergency school tax imposed on products severed
from Jicarilla Apache tribal land or imposed on the privilege
of severing products from Jicarilla Apache tribal land shall
be entitled to a credit to be computed pursuant to this
section and to be deducted from the payment of those taxes
with respect to products from qualifying wells. The credit
provided by this section may be referred to as the "Jicarilla

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underscored material = new
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1 Apache tribal capital improvements tax credit".

2 B. As used in this section:

3 (1) "Jicarilla Apache tribal land" means land
4 within the state of New Mexico that on March 1, 2002 was
5 within the exterior boundaries of a Jicarilla Apache
6 reservation or was held in trust by the United States for the
7 Jicarilla Apache Nation;

8 (2) "product" means oil, natural gas or
9 liquid hydrocarbon, individually or in combination, or carbon
10 dioxide;

11 (3) "qualifying well" means a well on
12 Jicarilla Apache tribal land; and

13 (4) "Jicarilla Apache tribal capital
14 improvements tax" means a tax imposed after the effective date
15 of this section by the Jicarilla Apache Nation that is
16 exclusively dedicated to fund capital improvement projects on
17 Jicarilla Apache tribal land and that is not available to
18 finance the construction of buildings used for commercial
19 activity.

20 C. The Jicarilla Apache tribal capital
21 improvements tax credit shall be determined separately for
22 each calendar month and shall be equal to the lesser of:

23 (1) the amount of the Jicarilla Apache tribal
24 capital improvements tax imposed by the Jicarilla Apache
25 Nation upon the products severed from qualifying wells or upon

1 the privilege of severing products from qualifying wells; or
 2 (2) seven-tenths of one percent of the
 3 taxable value of the products severed from qualifying wells as
 4 determined by applicable state law.

5 D. A credit pursuant to this section shall be
 6 allowed by the taxation and revenue department only if the
 7 Jicarilla Apache Nation has entered into a cooperative
 8 agreement with the secretary of taxation and revenue for the
 9 exchange of information necessary for the administration of
 10 the Jicarilla Apache tribal capital improvements tax credit.

11 E. Notwithstanding any other provision of law to
 12 the contrary, the amount of credit taken and allowed shall be
 13 applied against the amount of the oil and gas emergency school
 14 tax due with respect to the products or severance of products
 15 taxed.

16 F. The credit provided by this section shall be in
 17 addition to any credit claimed by the taxpayer or allowed by
 18 the taxation and revenue department pursuant to Section
 19 7-29C-1 NMSA 1978 with respect to the same products or the
 20 severance of the same products. A Jicarilla Apache tribal
 21 capital improvements tax that qualifies for the credit
 22 provided by this section shall constitute an increase in
 23 tribal taxes for purposes of Subsection F of Section 7-29C-1
 24 NMSA 1978 only to the extent that it exceeds the amount
 25 identified in Paragraph (2) of Subsection C of this section.

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