

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR  
HOUSE BILLS 410 & 447 & SENATE BILL 148

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

AN ACT

RELATING TO TAXATION; PROVIDING CERTAIN TAXPAYERS AN INCOME  
TAX REBATE FOR GROSS RECEIPTS TAXES ON FOOD; INCREASING THE  
CIGARETTE TAX RATE; MODIFYING DISTRIBUTIONS OF THE CIGARETTE  
TAX; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. A new Section of the Income Tax Act is  
enacted to read:

"[NEW MATERIAL] TAX REBATE FOR GROSS RECEIPTS TAX ON  
FOOD-- REFUND. --

A. Except as provided in Subsection B of this  
section, any resident who files an individual New Mexico  
income tax return for a taxable year beginning on or after  
January 1, 2002, who is not a dependent of another taxpayer,  
may claim a tax rebate for a portion of gross receipts taxes

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underscored material = new  
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1 on food purchases to which he has been subject during the  
2 taxable year for which the return is filed. The tax rebate  
3 provided in this section may be claimed in the amount shown in  
4 the appropriate filing status table in Subsections D and E of  
5 this section for each exemption.

6 B. No claim for the tax rebate provided in this  
7 section shall be filed by a resident who was an inmate of a  
8 public institution for more than six months during the taxable  
9 year for which the tax rebate could be claimed or who was not  
10 physically present in New Mexico for at least six months  
11 during the taxable year for which the tax rebate could be  
12 claimed.

13 C. For the purposes of this section, the number of  
14 exemptions for which a tax rebate may be claimed or allowed is  
15 the total number of exemptions allowable for federal income  
16 tax purposes for the individuals included in the return who  
17 are domiciled in New Mexico.

18 D. For single individuals, heads of household,  
19 surviving spouses and married individuals filing joint  
20 returns, the tax rebate shall be at the following amounts  
21 based upon the modified gross income of the taxpayer:

22	If modified gross income is:		The tax rebate per exemption
23	Over	But Not Over	shall be:
24	\$ 0	\$12,000	\$ 45.00
25	12,000	16,000	30.00

underscoring material = new  
[bracketed material] = delete



1           A. Except as provided in Subsection E of this  
2 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978  
3 shall be made to the county and municipality recreational fund  
4 in an amount equal to [~~four and three-quarters~~] two and three  
5 hundred seventy thousandths percent of the net receipts,  
6 exclusive of penalties and interest, attributable to the  
7 cigarette tax.

8           B. Except as provided in Subsection E of this  
9 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978  
10 shall be made to the county and municipal cigarette tax fund  
11 in an amount equal to [~~nine and one-half~~] four and seven  
12 hundred thirty-nine thousandths percent of the net receipts,  
13 exclusive of penalties and interest, attributable to the  
14 cigarette tax.

15           C. Except as provided in Subsection E of this  
16 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978  
17 shall be made to the cancer center at the university of New  
18 Mexico school of medicine in an amount equal to [~~four and~~  
19 ~~three-quarters~~] twelve and thirty-four hundredths percent of  
20 the net receipts, exclusive of penalties and interest,  
21 attributable to the cigarette tax.

22           D. Except as provided in Subsection E of this  
23 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978  
24 shall be made to the New Mexico finance authority in an amount  
25 equal to [~~seven and one-eighth~~] three and five hundred fifty-

1 four thousandths percent of the net receipts, exclusive of  
2 penalties and interest, attributable to the cigarette tax.

3 E. If the amount of distributions in any fiscal  
4 year pursuant to Subsection A, B, C or D of this section is  
5 less than the amount of the distributions made pursuant to  
6 that subsection in fiscal year 2002, the amount distributed  
7 pursuant to that subsection shall be increased by an amount  
8 sufficient to result in a total distribution for the fiscal  
9 year equal to the amount distributed in fiscal year 2002. "

10 Section 3. Section 7-12-3 NMSA 1978 (being Laws 1971,  
11 Chapter 77, Section 3, as amended) is amended to read:

12 "7-12-3. EXCISE TAX ON CIGARETTES--RATES. --

13 A. For the privilege of selling, giving or  
14 consuming cigarettes in New Mexico, there is levied an excise  
15 tax at the rate of [~~one and five hundredths cents (\$.0105)~~]  
16 two and three-tenths cents (\$.023) for each cigarette sold,  
17 given or consumed in this state.

18 B. The tax imposed by this section shall be  
19 referred to as the "cigarette tax". "

20 Section 4. APPLICABILITY. --The provisions of Section 1  
21 of this act apply to taxable years beginning on or after  
22 January 1, 2002.

23 Section 5. EFFECTIVE DATE. --

24 A. The effective date of the provisions of Section  
25 2 of this act is August 1, 2002.

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