

1 HOUSE BILL 146

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022**

3 INTRODUCED BY

4 Luis M. Terrazas and Siah Correa Hemphill and  
5 Crystal R. Diamond and Candie G. Sweetser and Rebecca Dow  
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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A TEMPORARY DISTRIBUTION OF THE  
12 TAXES IMPOSED PURSUANT TO THE RESOURCES EXCISE TAX ACT ON  
13 COPPER TO COUNTIES WHERE THE COPPER IS SEVERED.  
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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 7-1-6.20 NMSA 1978 (being Laws 1985,  
17 Chapter 65, Section 6, as amended) is amended to read:

18 "7-1-6.20. IDENTIFICATION OF MONEY IN EXTRACTION TAXES  
19 SUSPENSE FUND--DISTRIBUTION.--

20 A. Except as provided in Subsection B of this  
21 section, after the necessary disbursements have been made from  
22 the extraction taxes suspense fund, the money remaining in the  
23 suspense fund as of the last day of the month shall be  
24 identified by tax source and distributed or transferred in  
25 accordance with the provisions of Sections 7-1-6.21 through  
.221143.2

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1 7-1-6.23 and 7-1-6.61 NMSA 1978 and Section 2 of this 2022 act.  
2 After the necessary distributions and transfers, any balance,  
3 except for remittances unidentified as to source or  
4 disposition, shall be transferred to the general fund.

5 B. Payments on assessments issued by the department  
6 pursuant to the Oil and Gas Conservation Tax Act, the Oil and  
7 Gas Emergency School Tax Act, the Oil and Gas Ad Valorem  
8 Production Tax Act and the Oil and Gas Severance Tax Act shall  
9 be held in the extraction taxes suspense fund until the  
10 secretary determines that there is no substantial risk of  
11 protest or other litigation, whereupon after the necessary  
12 disbursements have been made from the extraction taxes suspense  
13 fund, the money remaining in the suspense fund as of the last  
14 day of the month attributed to these payments shall be  
15 identified by tax source and distributed or transferred in  
16 accordance with the provisions of Sections 7-1-6.21 through  
17 7-1-6.23 and 7-1-6.61 NMSA 1978. After the necessary  
18 distributions and transfers, any balance, except for remittance  
19 unidentified as to source or disposition, shall be transferred  
20 to the general fund."

21 SECTION 2. A new section of the Tax Administration Act is  
22 enacted to read:

23 "[NEW MATERIAL] DISTRIBUTION--RESOURCES EXCISE TAX ACT  
24 TAXES TO COUNTIES.--Prior to July 1, 2024, a distribution  
25 pursuant to Section 7-1-6.20 NMSA 1978 shall be made to each

.221143.2

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1 county in an amount equal to fifteen percent of the net  
2 receipts attributable to the taxes imposed pursuant to the  
3 Resources Excise Tax Act on the taxable value of copper severed  
4 in that county."

5 SECTION 3. EFFECTIVE DATE.--The effective date of the  
6 provisions of this act is July 1, 2022.

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