

1 HOUSE BILL 412

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO ELECTRIC MOTOR VEHICLES; CREATING THE ELECTRIC
12 VEHICLE INCOME TAX CREDIT; CREATING THE ELECTRIC VEHICLE
13 CHARGING UNIT INCOME TAX CREDIT; REQUIRING AN ADDITIONAL
14 REGISTRATION FEE FOR ELECTRIC AND PLUG-IN HYBRID ELECTRIC
15 VEHICLES; PROVIDING THAT THE ADDITIONAL REGISTRATION FEES BE
16 DISTRIBUTED TO THE STATE ROAD FUND AND THE TRANSPORTATION
17 PROJECT FUND.
18

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

20 SECTION 1. A new section of the Income Tax Act is enacted
21 to read:

22 "[NEW MATERIAL] ELECTRIC VEHICLE INCOME TAX CREDIT.--

23 A. A taxpayer who is not a dependent of another
24 individual and who, beginning on the effective date of this
25 section and prior to January 1, 2028, purchases an electric

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1 vehicle or enters into a new lease of at least three years for
2 an electric vehicle may claim a credit against the taxpayer's
3 tax liability imposed pursuant to the Income Tax Act in an
4 amount provided in Subsection B of this section. The tax
5 credit provided by this section may be referred to as the
6 "electric vehicle income tax credit".

7 B. The electric vehicle income tax credit shall be
8 in an amount equal to two thousand five hundred dollars
9 (\$2,500), except that the amount of credit shall be in an
10 amount equal to four thousand dollars (\$4,000) for a taxpayer
11 with an annual household adjusted gross income equal to or less
12 than two hundred percent of the federal poverty level
13 guidelines published by the United States department of health
14 and human services.

15 C. A taxpayer shall apply for certification of
16 eligibility for the electric vehicle income tax credit from the
17 department on forms and in the manner prescribed by the
18 department. Except as provided in Subsection H of this
19 section, only one electric vehicle income tax credit shall be
20 allowed for each electric vehicle purchased or leased. The
21 application shall include proof of purchase or lease, the
22 electric vehicle's registration or application for registration
23 and any additional information that the department may require
24 to determine eligibility for the credit. The department shall
25 issue a dated certificate of eligibility to the taxpayer

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1 providing the amount of the electric vehicle income tax credit
2 for which the taxpayer is eligible and the taxable year in
3 which the credit may be claimed for an electric vehicle that
4 was purchased or leased.

5 D. The aggregate amount of electric vehicle income
6 tax credit claims that may be authorized for payment in any
7 calendar year is ten million dollars (\$10,000,000). If a
8 taxpayer submits a claim for a tax credit but is unable to
9 receive the tax credit because the claims for the calendar year
10 exceed the limitation provided in this subsection, the
11 taxpayer's claim shall be placed at the front of a queue of
12 credit claimants for the subsequent calendar year in the order
13 of the date on which the credit was authorized for payment.
14 Completed applications for the tax credit shall be considered
15 in the order received by the department.

16 E. Applications for certification of an electric
17 vehicle income tax credit shall be made no later than one
18 calendar year from the date in which the electric vehicle is
19 purchased or the lease is entered into.

20 F. A certificate of eligibility for an electric
21 vehicle income tax credit may be sold, exchanged or otherwise
22 transferred to another taxpayer for the full value of the
23 credit. The parties to such a transaction shall notify the
24 department of the sale, exchange or transfer within ten days of
25 the sale, exchange or transfer.

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1 G. That portion of an approved electric vehicle
2 income tax credit claimed by a taxpayer that exceeds the
3 taxpayer's income tax liability in the taxable year in which an
4 electric vehicle income tax credit is claimed shall be refunded
5 to the taxpayer.

6 H. Married individuals filing separate returns for
7 a taxable year for which they could have filed a joint return
8 may each claim only one-half of the electric vehicle income tax
9 credit that would have been claimed on a joint return.

10 I. A taxpayer may be allocated the right to claim
11 the electric vehicle income tax credit in proportion to the
12 taxpayer's ownership interest if the taxpayer owns an interest
13 in a business entity that is taxed for federal income tax
14 purposes as a partnership or limited liability company and that
15 business entity has met all of the requirements to be eligible
16 for the credit. The total credit claimed by all members of the
17 partnership or limited liability company shall not exceed the
18 allowable credit pursuant to this section.

19 J. A taxpayer shall submit to the department
20 information required by the department with respect to the
21 purchase or lease of an electric vehicle by the taxpayer during
22 the taxable year for which the electric vehicle income tax
23 credit is claimed.

24 K. A taxpayer allowed an electric vehicle income
25 tax credit shall report the amount of the tax credit to the

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1 department on a form and in a manner required by the
2 department.

3 L. The department shall compile an annual report on
4 the electric vehicle income tax credit that shall include the
5 number of taxpayers approved by the department to receive the
6 tax credit, the aggregate amount of tax credits approved and
7 any other information necessary to evaluate the tax credit.
8 The department shall compile and present the annual report to
9 the revenue stabilization and tax policy committee and the
10 legislative finance committee with an analysis of the cost of
11 the tax credit.

12 M. As used in this section:

13 (1) "electric vehicle" means a new motor
14 vehicle registered or purchased in New Mexico that derives all
15 or part of the vehicle's power from electricity stored in a
16 battery that:

17 (a) has a capacity of not less than six
18 kilowatt-hours;

19 (b) is capable of powering the vehicle
20 for a range of at least thirty miles; and

21 (c) is capable of being recharged from
22 an external source of electricity; and

23 (2) "motor vehicle" means a vehicle with four
24 wheels that:

25 (a) is required under the Motor Vehicle

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1 Code to be registered in this state;

2 (b) is made by a manufacturer;

3 (c) has a base manufacturer suggested
4 retail price, before options and destination charges, of
5 fifty-five thousand dollars (\$55,000) or less, before any taxes
6 are imposed;

7 (d) is manufactured primarily for use on
8 public streets, roads or highways;

9 (e) has not been modified from the
10 original manufacturer specifications;

11 (f) is rated at not less than two
12 thousand two hundred pounds unloaded base weight and not more
13 than nine thousand seven hundred fifty pounds unloaded base
14 weight; and

15 (g) has a maximum speed capability of at
16 least sixty-five miles per hour."

17 SECTION 2. A new section of the Income Tax Act is enacted
18 to read:

19 "[NEW MATERIAL] ELECTRIC VEHICLE CHARGING UNIT INCOME TAX
20 CREDIT.--

21 A. For taxable years beginning prior to January 1,
22 2028, a taxpayer who is not a dependent of another individual
23 and who purchases and installs an electric vehicle charging
24 unit may claim a credit against the taxpayer's tax liability
25 imposed pursuant to the Income Tax Act. The tax credit

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1 provided by this section may be referred to as the "electric
2 vehicle charging unit income tax credit".

3 B. The electric vehicle charging unit income tax
4 credit shall not exceed three hundred dollars (\$300) or the
5 cost to purchase and install an electric vehicle charging unit,
6 whichever is less.

7 C. A taxpayer shall apply for certification of
8 eligibility for the electric vehicle charging unit income tax
9 credit from the department on forms and in the manner
10 prescribed by the department. The aggregate amount of electric
11 vehicle charging unit income tax credits that may be certified
12 as eligible in any calendar year is one million dollars
13 (\$1,000,000). Completed applications shall be considered in
14 the order received. If a taxpayer submits a claim for a tax
15 credit but is unable to receive the tax credit because the
16 claims for the calendar year exceed the limitation provided in
17 this subsection, the taxpayer's claim shall be placed at the
18 front of a queue of credit claimants for the subsequent
19 calendar year in the order of the date on which the credit was
20 authorized for payment.

21 D. An application for certification of eligibility
22 shall include a receipt for the purchase of the electric
23 vehicle charging unit, a copy of the data sheet that specifies
24 the connector type, plug type, voltage and current of the
25 electric vehicle charging unit and any additional information

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1 that the department may require to determine eligibility for
2 the credit. The department shall issue a dated certificate of
3 eligibility to the taxpayer providing the amount of the
4 electric vehicle charging unit income tax credit for which the
5 taxpayer is eligible and the taxable year in which the credit
6 may be claimed.

7 E. Applications for certification of an electric
8 vehicle charging unit income tax credit shall be made no later
9 than one calendar year from the date in which the electric
10 vehicle charging unit for which the credit is claimed is
11 purchased and installed.

12 F. That portion of an electric vehicle charging
13 unit income tax credit that exceeds a taxpayer's income tax
14 liability in the taxable year in which an electric vehicle
15 charging unit income tax credit is claimed shall be refunded to
16 the taxpayer.

17 G. Married individuals filing separate returns for
18 a taxable year for which they could have filed a joint return
19 may each claim only one-half of the electric vehicle charging
20 unit income tax credit that would have been claimed on a joint
21 return.

22 H. A taxpayer may be allocated the right to claim
23 the electric vehicle charging unit income tax credit in
24 proportion to the taxpayer's ownership interest if the taxpayer
25 owns an interest in a business entity that is taxed for federal

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1 income tax purposes as a partnership or limited liability
2 company and that business entity has met all of the
3 requirements to be eligible for the credit. The total credit
4 claimed by all members of the partnership or limited liability
5 company shall not exceed the allowable credit pursuant to this
6 section.

7 I. A taxpayer allowed a tax credit pursuant to this
8 section shall report the amount of the tax credit to the
9 department in a manner required by the department.

10 J. The department shall compile an annual report on
11 the electric vehicle charging unit income tax credit that shall
12 include the number of taxpayers approved by the department to
13 receive the tax credit, the aggregate amount of tax credits
14 approved and any other information necessary to evaluate the
15 effectiveness of the tax credit. The department shall present
16 the annual report to the revenue stabilization and tax policy
17 committee and the legislative finance committee with an
18 analysis of the effectiveness and cost of the tax credit and
19 whether the tax credit is performing the purpose for which it
20 was created.

21 K. As used in this section:

22 (1) "electric vehicle" means a motor vehicle
23 subject to the registration fee pursuant to Section 66-6-2 or
24 66-6-4 NMSA 1978 that derives all or part of the vehicle's
25 power from electricity stored in a battery that:

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1 (a) has a capacity of not less than six
2 kilowatt-hours;

3 (b) is capable of powering the vehicle
4 for a range of at least thirty miles; and

5 (c) is capable of being recharged from
6 an external source of electricity; and

7 (2) "electric vehicle charging unit" means a
8 device that:

9 (a) is used to provide electricity to an
10 electric vehicle;

11 (b) is designed to create a connection
12 between an electricity source and the electric vehicle;

13 (c) uses the electric vehicle's control
14 system to ensure that electricity flows at an appropriate
15 voltage and current level; and

16 (d) is installed on residential property
17 located in the state."

18 SECTION 3. A new section of the Motor Vehicle Code is
19 enacted to read:

20 "[NEW MATERIAL] ADDITIONAL REGISTRATION FEE--ELECTRIC AND
21 PLUG-IN HYBRID ELECTRIC VEHICLES.--

22 A. For registration of vehicles subject to the
23 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA
24 1978, there is imposed an additional annual fee of eighty
25 dollars (\$80.00) for which an electric vehicle with a gross

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1 vehicle weight of twenty-six thousand pounds or less is
2 registered.

3 B. For registration of vehicles subject to the
4 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA
5 1978, there is imposed an additional annual fee of forty
6 dollars (\$40.00) for which a plug-in hybrid electric vehicle
7 with a gross vehicle weight of twenty-six thousand pounds or
8 less is registered.

9 C. All fees collected pursuant to this section
10 shall be paid to the state treasurer to the credit of the motor
11 vehicle suspense fund with distribution in accordance with
12 Section 66-6-23 NMSA 1978.

13 D. As used in this section:

14 (1) "electric vehicle" means a motor vehicle
15 that derives all of the vehicle's power from electricity stored
16 in a battery that:

17 (a) has a capacity of not less than six
18 kilowatt-hours;

19 (b) is capable of powering the vehicle
20 for a range of at least thirty miles; and

21 (c) is capable of being recharged from
22 an external source of electricity; and

23 (2) "plug-in hybrid electric vehicle" means a
24 motor vehicle that derives part of the vehicle's power from
25 electricity stored in a battery that:

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1 (a) has a capacity of not less than six
2 kilowatt-hours;

3 (b) is capable of powering the vehicle
4 for a range of at least thirty miles; and

5 (c) is capable of being recharged from
6 an external source of electricity."

7 SECTION 4. Section 66-6-23 NMSA 1978 (being Laws 1978,
8 Chapter 35, Section 358, as amended) is amended to read:

9 "66-6-23. DISPOSITION OF FEES.--

10 A. After the necessary disbursements for refunds
11 and other purposes have been made, the money remaining in the
12 motor vehicle suspense fund, except for remittances received
13 within the previous two months that are unidentified as to
14 source or disposition, shall be distributed as follows:

15 (1) to each municipality, county or fee agent
16 operating a motor vehicle field office:

17 (a) an amount equal to six dollars
18 (\$6.00) per driver's license and five dollars (\$5.00) per
19 identification card or motor vehicle or motorboat registration
20 or title transaction performed;

21 (b) for each such agent determined by
22 the secretary pursuant to Section 66-2-16 NMSA 1978 to have
23 performed ten thousand or more transactions in the preceding
24 fiscal year, other than a class A county with a population
25 exceeding three hundred thousand or a municipality with a

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1 population exceeding three hundred thousand that has been
2 designated as an agent pursuant to Section 66-2-14.1 NMSA 1978,
3 an amount equal to one dollar (\$1.00) in addition to the amount
4 distributed pursuant to Subparagraph (a) of this paragraph for
5 each driver's license, identification card, motor vehicle
6 registration, motorboat registration or title transaction
7 performed; and

8 (c) to each military installation
9 designated as a fee agent pursuant to Section 66-2-14.1 NMSA
10 1978, an amount equal to one dollar fifty cents (\$1.50) in
11 addition to the amount distributed pursuant to Subparagraph (a)
12 of this paragraph for each administrative service fee remitted
13 by the military installation to the department pursuant to
14 Subsection A of Section 66-2-16 NMSA 1978;

15 (2) to each municipality or county, other than
16 a class A county with a population exceeding three hundred
17 thousand or a municipality with a population exceeding three
18 hundred thousand that has been designated as an agent pursuant
19 to Section 66-2-14.1 NMSA 1978, operating a motor vehicle field
20 office, an amount equal to one dollar fifty cents (\$1.50) for
21 each administrative service fee remitted by that county or
22 municipality to the department pursuant to the provisions of
23 Subsection A of Section 66-2-16 NMSA 1978;

24 (3) to the state road fund:

25 (a) an amount equal to the fees

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1 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA
2 1978;

3 (b) an amount equal to the fee collected
4 pursuant to Section 66-3-417 NMSA 1978;

5 (c) the remainder of each driver's
6 license fee collected by the department employees from an
7 applicant to whom a license is granted after deducting from the
8 driver's license fee the amount of the distribution authorized
9 in Paragraph (1) of this subsection with respect to that
10 collected driver's license fee; [~~and~~]

11 (d) an amount equal to fifty percent of
12 the fees collected pursuant to Section 66-6-19 NMSA 1978; and

13 (e) an amount equal to seventy-seven
14 percent of the fees collected pursuant to Section 3 of this
15 2023 act;

16 (4) to the local governments road fund, the
17 amount of the fees collected pursuant to Subsection B of
18 Section 66-5-33.1 NMSA 1978 and the remainder of the fees
19 collected pursuant to Subsection A of Section 66-5-408 NMSA
20 1978;

21 (5) to the transportation project fund, an
22 amount equal to twenty-three percent of the fees collected
23 pursuant to Section 3 of this 2023 act;

24 [~~(5)~~] (6) to the department:

25 (a) any amounts reimbursed to the

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1 department pursuant to Subsection D of Section 66-2-14.1 NMSA
2 1978;

3 (b) an amount equal to two dollars
4 (\$.00) of each motorcycle registration fee collected pursuant
5 to Section 66-6-1 NMSA 1978;

6 (c) an amount equal to the fees provided
7 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E
8 of Section 66-2-16 NMSA 1978, Subsections K and L of Section
9 66-3-6 NMSA 1978 other than the administrative fee, Subsection
10 C of Section 66-5-44 NMSA 1978 and Subsection B of Section
11 66-5-408 NMSA 1978;

12 (d) the amounts due to the department
13 for the manufacture and issuance of a special registration
14 plate collected pursuant to the section of law authorizing the
15 issuance of the specialty plate;

16 (e) an amount equal to the registration
17 fees collected pursuant to Section 66-6-6.1 NMSA 1978 for the
18 purposes of enforcing the provisions of the Mandatory Financial
19 Responsibility Act and for creating and maintaining a
20 multilanguage noncommercial driver's license testing program;
21 and after those purposes are met, the balance of the
22 registration fees shall be distributed to the department to
23 defray the costs of operating the ~~[motor vehicle]~~ division;

24 (f) an amount equal to fifty cents
25 (\$.50) for each administrative fee remitted to the department

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1 by a county or municipality operating a motor vehicle field
2 office pursuant to Subsection A of Section 66-2-16 NMSA 1978;

3 (g) an amount equal to one dollar
4 twenty-five cents (\$1.25) for each administrative fee collected
5 by the department or any of its agents other than a county or
6 municipality operating a motor vehicle field office pursuant to
7 Subsection A of Section 66-2-16 NMSA 1978; and

8 (h) an amount equal to the royalties or
9 other consideration paid by commercial users of databases of
10 motor vehicle-related records of the department pursuant to
11 Subsection C of Section 14-3-15.1 NMSA 1978 for the purpose of
12 defraying the costs of maintaining databases of motor vehicle-
13 related records of the department; and after that purpose is
14 met, the balance of the royalties and other consideration shall
15 be distributed to the department to defray the costs of
16 operating the ~~[motor vehicle]~~ division or for use pursuant to
17 Subsection F of Section 66-6-13 NMSA 1978;

18 ~~[(6)]~~ (7) to each New Mexico institution of
19 higher education, an amount equal to that part of the fees
20 distributed pursuant to Paragraph (2) of Subsection D of
21 Section 66-3-416 NMSA 1978 proportionate to the number of
22 special registration plates issued in the name of the
23 institution to all such special registration plates issued in
24 the name of all institutions;

25 ~~[(7)]~~ (8) to the armed forces veterans license

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1 fund, the amount to be distributed pursuant to Paragraph (2) of
2 Subsection E of Section 66-3-419 NMSA 1978;

3 ~~[(8)]~~ (9) to the children's trust fund, the
4 amount to be distributed pursuant to Paragraph (2) of
5 Subsection D of Section 66-3-420 NMSA 1978;

6 ~~[(9)]~~ (10) to the department of
7 transportation, an amount equal to the fees collected pursuant
8 to Section 66-5-35 NMSA 1978;

9 ~~[(10)]~~ (11) to the state equalization
10 guarantee distribution made annually pursuant to the general
11 appropriation act, an amount equal to one hundred percent of
12 the driver safety fee collected pursuant to Subsection D of
13 Section 66-5-44 NMSA 1978;

14 ~~[(11)]~~ (12) to the motorcycle training fund,
15 two dollars (\$2.00) of each motorcycle registration fee
16 collected pursuant to Section 66-6-1 NMSA 1978;

17 ~~[(12)]~~ (13) to the recycling and illegal
18 dumping fund:

19 (a) fifty cents (\$.50) of the tire
20 recycling fee collected pursuant to the provisions of Section
21 66-6-1 NMSA 1978;

22 (b) fifty cents (\$.50) of each of the
23 tire recycling fees collected pursuant to the provisions of
24 Sections 66-6-2 and 66-6-4 NMSA 1978; and

25 (c) twenty-five cents (\$.25) of each of

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1 the tire recycling fees collected pursuant to Sections 66-6-5
2 and 66-6-8 NMSA 1978;

3 ~~[(13)]~~ (14) to the highway infrastructure
4 fund:

5 (a) fifty cents (\$.50) of the tire
6 recycling fee collected pursuant to the provisions of Section
7 66-6-1 NMSA 1978;

8 (b) one dollar (\$1.00) of each of the
9 tire recycling fees collected pursuant to the provisions of
10 Sections 66-6-2 and 66-6-4 NMSA 1978; and

11 (c) twenty-five cents (\$.25) of each of
12 the tire recycling fees collected pursuant to Sections 66-6-5
13 and 66-6-8 NMSA 1978;

14 ~~[(14)]~~ (15) to each county, an amount equal to
15 fifty percent of the fees collected pursuant to Section 66-6-19
16 NMSA 1978 multiplied by a fraction, the numerator of which is
17 the total mileage of public roads maintained by the county and
18 the denominator of which is the total mileage of public roads
19 maintained by all counties in the state;

20 ~~[(15)]~~ (16) to the litter control and
21 beautification fund, an amount equal to the fees collected
22 pursuant to Section 66-6-6.2 NMSA 1978;

23 ~~[(16)]~~ (17) to the local government division
24 of the department of finance and administration, an amount
25 equal to the fees collected pursuant to Section 66-3-424.3 NMSA
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1 1978 for distribution to each county to support animal control
2 spaying and neutering programs in an amount proportionate to
3 the number of residents of that county who have purchased pet
4 care special registration plates pursuant to Section 66-3-424.3
5 NMSA 1978; and

6 [~~(17)~~] (18) to the Cumbres and Toltec scenic
7 railroad commission, twenty-five dollars (\$25.00) collected
8 pursuant to the Cumbres and Toltec scenic railroad special
9 registration plate.

10 B. The balance, exclusive of unidentified
11 remittances, shall be distributed in accordance with Section
12 66-6-23.1 NMSA 1978.

13 C. If any of the paragraphs, subsections or
14 sections referred to in Subsection A of this section are
15 recompiled or otherwise redesignated without a corresponding
16 change to Subsection A of this section, the reference in
17 Subsection A of this section shall be construed to be the
18 recompiled or redesignated paragraph, subsection or section."

19 SECTION 5. APPLICABILITY.--The provisions of Sections 1
20 and 2 of this act apply to taxable years beginning on or after
21 January 1, 2023.

22 SECTION 6. EFFECTIVE DATE.--The effective date of the
23 provisions of Sections 3 and 4 of this act is January 1, 2024.