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SENATE BILL

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

Bill Tallman

AN ACT

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

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] ELECTRIC VEHICLE INCOME TAX CREDIT.--

A. A taxpayer who is not a dependent of another  
individual and who, on or after May 15, 2024 and prior to  
January 1, 2029, purchases an electric vehicle or enters into a  
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1 new lease of at least three years for an electric vehicle may  
2 claim a nonrefundable credit against the taxpayer's tax  
3 liability imposed pursuant to the Income Tax Act. The tax  
4 credit provided by this section may be referred to as the  
5 "electric vehicle income tax credit".

6 B. The electric vehicle income tax credit shall be  
7 in an amount equal to three thousand two hundred fifty dollars  
8 (\$3,250).

9 C. A taxpayer who seeks to claim the tax credit  
10 provided by this section shall apply for certification of  
11 eligibility from the energy, minerals and natural resources  
12 department on forms and in the manner prescribed by that  
13 department. Completed applications for the tax credit shall be  
14 considered in the order received. Except as provided in  
15 Subsection G of this section, only one electric vehicle income  
16 tax credit shall be allowed for each electric vehicle purchased  
17 or leased. The application shall include proof of purchase or  
18 lease, the electric vehicle's registration or application for  
19 registration and any additional information that the energy,  
20 minerals and natural resources department may require to  
21 determine eligibility for the credit. Applications for  
22 certification of an electric vehicle income tax credit shall be  
23 made no later than one calendar year from the date on which the  
24 electric vehicle is purchased or the lease is entered into.

25 D. If the energy, minerals and natural resources

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1 department determines that a taxpayer meets the requirements to  
2 claim a tax credit pursuant to this section, that department  
3 shall issue to the taxpayer a dated certificate of eligibility  
4 providing the amount of the tax credit for which the taxpayer  
5 is eligible and the taxable year in which the credit may be  
6 claimed. The aggregate amount of electric vehicle income tax  
7 credits that may be certified in any taxable year is ten  
8 million dollars (\$10,000,000). If a taxpayer applies for and  
9 meets the requirements for a tax credit pursuant to this  
10 section, but the maximum aggregate amount of credits have been  
11 certified for that taxable year, the energy, minerals and  
12 natural resources department shall issue the taxpayer a  
13 certificate of eligibility for the next taxable year in which  
14 there are available certifications.

15 E. To receive a tax credit provided by this  
16 section, a taxpayer shall apply to the department on forms and  
17 in the manner prescribed by the department. The application  
18 shall include a certificate of eligibility issued pursuant to  
19 this section. A taxpayer shall not be allowed to claim more  
20 than one tax credit provided by this section per taxable year.

21 F. A certificate of eligibility for an electric  
22 vehicle income tax credit may be sold, exchanged or otherwise  
23 transferred to another taxpayer for the full value of the  
24 credit. The parties to such a transaction shall notify the  
25 energy, minerals and natural resources department of the sale,

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1 exchange or transfer within ten days of the sale, exchange or  
2 transfer.

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

7 H. A taxpayer allowed an electric vehicle income  
8 tax credit shall report the amount of the tax credit to the  
9 department on forms and in a manner required by the department.

10 I. As used in this section:

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

15 (a) has a capacity of not less than six  
16 kilowatt-hours;

17 (b) is capable of powering the vehicle  
18 for a range of at least forty miles; and

19 (c) is capable of being recharged from  
20 an external source of electricity; and

21 (2) "motor vehicle" means a vehicle with four  
22 wheels that:

23 (a) is required under the Motor Vehicle  
24 Code to be registered in this state;

25 (b) is made by a manufacturer;

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

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

7 (e) has not been modified from the  
8 original manufacturer specifications;

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

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

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

17 "[NEW MATERIAL] ELECTRIC VEHICLE CHARGING UNIT INCOME TAX  
18 CREDIT.--

19 A. A taxpayer who is not a dependent of another  
20 individual and who, on or after May 15, 2024 and prior to  
21 January 1, 2029, purchases and installs an electric vehicle  
22 charging unit in New Mexico may apply for, and the department  
23 may allow, a nonrefundable credit against the taxpayer's tax  
24 liability imposed pursuant to the Income Tax Act. The tax  
25 credit provided by this section may be referred to as the

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1 "electric vehicle charging unit income tax credit".

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

6 C. A taxpayer who seeks to claim the tax credit  
7 provided by this section shall, no later than one calendar year  
8 from the date on which the electric vehicle charging unit is  
9 purchased and installed, apply for certification of eligibility  
10 from the energy, minerals and natural resources department on  
11 forms and in the manner prescribed by that department.

12 Completed applications shall be considered in the order  
13 received. An application for certification of eligibility  
14 shall include a receipt for the purchase of the electric  
15 vehicle charging unit, a copy of the data sheet that specifies  
16 the connector type, plug type, voltage and current of the  
17 electric vehicle charging unit and any additional information  
18 that the energy, minerals and natural resources department may  
19 require to determine eligibility for the credit.

20 D. If the energy, minerals and natural resources  
21 department determines that a taxpayer meets the requirements to  
22 claim a tax credit pursuant to this section, that department  
23 shall issue a dated certificate of eligibility to the taxpayer  
24 providing the amount of the tax credit for which the taxpayer  
25 is eligible and the taxable year in which the credit may be

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1 claimed. The aggregate amount of electric vehicle charging  
2 unit income tax credits that may be certified as eligible in  
3 any taxable year is one million dollars (\$1,000,000). If a  
4 taxpayer applies for and meets the requirements for a tax  
5 credit pursuant to this section, but the maximum aggregate  
6 amount of credits have been certified for that taxable year,  
7 the energy, minerals and natural resources department shall  
8 issue the taxpayer a certificate of eligibility for the next  
9 taxable year in which there are available certifications.

10 E. To receive a tax credit provided by this  
11 section, a taxpayer shall apply to the department on forms and  
12 in the manner prescribed by the department. The application  
13 shall include a certificate of eligibility issued pursuant to  
14 this section. A taxpayer shall not be allowed to claim more  
15 than one tax credit provided by this section per taxable year.

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

21 G. A taxpayer allowed a tax credit pursuant to this  
22 section shall report the amount of the tax credit to the  
23 department on forms and in a manner required by the department.

24 H. As used in this section:

25 (1) "electric vehicle" means a motor vehicle

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1 subject to the registration fee pursuant to Section 66-6-2 or  
2 66-6-4 NMSA 1978 that derives all or part of the vehicle's  
3 power from electricity stored in a battery that:

4 (a) has a capacity of not less than six  
5 kilowatt-hours;

6 (b) is capable of powering the vehicle  
7 for a range of at least forty miles; and

8 (c) is capable of being recharged from  
9 an external source of electricity; and

10 (2) "electric vehicle charging unit" means a  
11 device that:

12 (a) is used to provide electricity to an  
13 electric vehicle;

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

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

19 (d) is installed on residential property  
20 located in the state."

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

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

25 A. For registration of vehicles subject to the

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1 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA  
2 1978, there is imposed an additional annual fee of one hundred  
3 twenty dollars (\$120) for which an electric vehicle with a  
4 gross vehicle weight of twenty-six thousand pounds or less is  
5 registered.

6 B. For registration of vehicles subject to the  
7 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA  
8 1978, there is imposed an additional annual fee of sixty  
9 dollars (\$60.00) for which a plug-in hybrid electric vehicle  
10 with a gross vehicle weight of twenty-six thousand pounds or  
11 less is registered.

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

16 D. As used in this section:

17 (1) "electric vehicle" means a motor vehicle  
18 that derives all of the vehicle's power from electricity stored  
19 in a battery that:

20 (a) has a capacity of not less than six  
21 kilowatt-hours;

22 (b) is capable of powering the vehicle  
23 for a range of at least forty miles; and

24 (c) is capable of being recharged from  
25 an external source of electricity; and

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

4 (a) has a capacity of not less than six  
5 kilowatt-hours;

6 (b) is capable of powering the vehicle  
7 for a range of at least forty miles; and

8 (c) is capable of being recharged from  
9 an external source of electricity."

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

12 "66-6-23. DISPOSITION OF FEES.--

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

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

20 (a) an amount equal to six dollars  
21 (\$6.00) per driver's license and five dollars (\$5.00) per  
22 identification card or motor vehicle or motorboat registration  
23 or title transaction performed;

24 (b) for each such agent determined by  
25 the secretary pursuant to Section 66-2-16 NMSA 1978 to have

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

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

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

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1 Subsection A of Section 66-2-16 NMSA 1978;

2 (3) to the state road fund:

3 (a) an amount equal to the fees  
4 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA  
5 1978;

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

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

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

16 (e) an amount equal to seventy-seven  
17 percent of the fees collected pursuant to Section 3 of this  
18 2024 act;

19 (4) to the local governments road fund, the  
20 amount of the fees collected pursuant to Subsection B of  
21 Section 66-5-33.1 NMSA 1978 and the remainder of the fees  
22 collected pursuant to Subsection A of Section 66-5-408 NMSA  
23 1978;

24 (5) to the transportation project fund, an  
25 amount equal to twenty-three percent of the fees collected

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1 pursuant to Section 3 of this 2024 act;

2 [~~(5)~~] (6) to the department:

3 (a) any amounts reimbursed to the  
4 department pursuant to Subsection D of Section 66-2-14.1 NMSA  
5 1978;

6 (b) an amount equal to two dollars  
7 (\$2.00) of each motorcycle registration fee collected pursuant  
8 to Section 66-6-1 NMSA 1978;

9 (c) an amount equal to the fees provided  
10 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E  
11 of Section 66-2-16 NMSA 1978, Subsections K and L of Section  
12 66-3-6 NMSA 1978 other than the administrative fee, Subsection  
13 C of Section 66-5-44 NMSA 1978 and Subsection B of Section  
14 66-5-408 NMSA 1978;

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

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

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1 defray the costs of operating the division;

2 (f) an amount equal to fifty cents  
3 (\$.50) for each administrative fee remitted to the department  
4 by a county or municipality operating a motor vehicle field  
5 office pursuant to Subsection A of Section 66-2-16 NMSA 1978;

6 (g) an amount equal to one dollar  
7 twenty-five cents (\$.25) for each administrative fee collected  
8 by the department or any of its agents other than a county or  
9 municipality operating a motor vehicle field office pursuant to  
10 Subsection A of Section 66-2-16 NMSA 1978; and

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

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

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1 institution to all such special registration plates issued in  
2 the name of all institutions;

3 [~~(7)~~] (8) to the armed forces veterans license  
4 fund, the amount to be distributed pursuant to Paragraph (2) of  
5 Subsection E of Section 66-3-419 NMSA 1978;

6 [~~(8)~~] (9) to the children's trust fund, the  
7 amount to be distributed pursuant to Paragraph (2) of  
8 Subsection D of Section 66-3-420 NMSA 1978;

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

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

17 [~~(11)~~] (12) to the motorcycle training fund,  
18 seven dollars (\$7.00) of each motorcycle registration fee  
19 collected pursuant to Section 66-6-1 NMSA 1978;

20 [~~(12)~~] (13) to the recycling and illegal  
21 dumping fund:

22 (a) fifty cents (\$.50) of the tire  
23 recycling fee collected pursuant to the provisions of Section  
24 66-6-1 NMSA 1978;

25 (b) fifty cents (\$.50) of each of the

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1 tire recycling fees collected pursuant to the provisions of  
2 Sections 66-6-2 and 66-6-4 NMSA 1978; and

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

6 [~~(13)~~] (14) to the highway infrastructure  
7 fund:

8 (a) fifty cents (\$.50) of the tire  
9 recycling fee collected pursuant to the provisions of Section  
10 66-6-1 NMSA 1978;

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

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

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

23 [~~(15)~~] (16) to the litter control and  
24 beautification fund, an amount equal to the fees collected  
25 pursuant to Section 66-6-6.2 NMSA 1978;

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

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

13                    B. The balance, exclusive of unidentified  
14 remittances, shall be distributed in accordance with Section  
15 66-6-23.1 NMSA 1978.

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

22                    SECTION 5. APPLICABILITY.--The provisions of Sections 1  
23 and 2 of this act apply to taxable years beginning on or after  
24 January 1, 2024.

25                    SECTION 6. EFFECTIVE DATE.--The effective date of the  
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provisions of Sections 3 and 4 of this act is January 1, 2025.

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