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HOUSE BILL 404

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY
Daniel P. Silva

AN ACT

RELATING TO TAXATION; AMENDING THE LEASED VEHICLE GROSS
RECEIPTS TAX ACT TO EXEMPT REPLACEMENT VEHICLES FROM THE
LEASED VEHICLE SURCHARGE.

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

Section 1. Section 7-14A-3.1 NMSA 1978 (being Laws
1993, Chapter 359, Section 1) is amended to read:

"7-14A-3.1. IMPOSITION AND RATE--LEASED VEHICLE
SURCHARGE.--

A. Except as provided in Subsection B of this
section, there is imposed a surcharge on the leasing of a
vehicle to another person by a person engaging in business in
New Mexico if the lease is subject to the leased vehicle
gross receipts tax. The amount of this surcharge is two
dollars (\$2.00) for each day each vehicle is leased by the

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1 person. The surcharge may be referred to as the "leased
2 vehicle surcharge".

3 B. The leased vehicle surcharge imposed in
4 Subsection A of this section shall not apply to replacement
5 vehicles. For purposes of this section, "replacement
6 vehicle" means a vehicle that is:

7 (1) rented temporarily by an individual or
8 loaned to an individual by a motor vehicle repair facility or
9 dealer; and

10 (2) used by the individual in place of a
11 motor vehicle owned by the individual that is unavailable for
12 use due to mechanical breakdown, repair, service, damage or
13 loss as defined in the individual's applicable private
14 passenger automotive insurance policy."

15 Section 2. EFFECTIVE DATE.--The effective date of the
16 provisions of this act is July 1, 2000.