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HOUSE BILL 946

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

John A. Heaton

AN ACT

**RELATING TO TAXATION; AUTHORIZING COUNTIES TO IMPOSE RESOURCE
EXCISE TAXES; PROVIDING FOR AN INTERGOVERNMENTAL TAX CREDIT;
PROVIDING FOR COOPERATIVE AGREEMENTS WITH COUNTIES; LIMITING
THE USE OF COUNTY TAX REVENUES; ENACTING SECTIONS OF THE NMSA
1978.**

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

Section 1. [NEW MATERIAL] RESOURCE EXCISE TAX. --

**A. A county may impose an ad valorem tax at a rate
not to exceed three percent of the value on all products that
are severed and sold from lands within the county other than
tribal lands.**

**B. For the purposes of this section, "tribal land"
means all land in New Mexico that, on March 1, 2001, was
within the exterior boundaries of the reservation or pueblo**

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 grant of an Indian nation, tribe or pueblo, was within a
2 dependent Indian community of the Indian nation, tribe or
3 pueblo or was held in trust by the United States for the
4 Indian nation, tribe or pueblo.

5 Section 2. [NEW MATERIAL] USE OF TAX REVENUES-- ECONOMIC
6 DEVELOPMENT PLANS. --All revenues from a resource excise tax
7 imposed by a county shall be used solely for implementing
8 economic development plans and projects pursuant to the Local
9 Economic Development Act.

10 Section 3. A new section of Chapter 7, Article 29C NMSA
11 1978 is enacted to read:

12 "[NEW MATERIAL] INTERGOVERNMENTAL TAX CREDIT-- SEVERANCE
13 TAX. --

14 A. Any person who is liable pursuant to Chapter 7,
15 Article 26 or 29 NMSA 1978 for the payment of the severance
16 tax on products severed and sold from land within a county
17 other than tribal land is entitled to a credit to be computed
18 under this section and to be deducted from the payment of the
19 county resource excise tax. The credit provided by this
20 section may be referred to as the "intergovernmental severance
21 tax credit".

22 B. For the purposes of this section, "tribal land"
23 means all land in New Mexico that, on March 1, 2001, was
24 within the exterior boundaries of the reservation or pueblo
25 grant of an Indian nation, tribe or pueblo, was within a

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1 dependent Indian community of the Indian nation, tribe or
2 pueblo or was held in trust by the United States for the
3 Indian nation, tribe or pueblo.

4 C. The intergovernmental severance tax credit
5 shall be determined separately for each calendar month and
6 shall be equal to seventy-five percent of the lesser of:

7 (1) the aggregate amount of tax due under the
8 county resource excise tax imposed by the county upon products
9 severed and sold from land within the county other than tribal
10 land, the value of products severed and sold, the privilege of
11 severing a product or the value of the leasehold interest; or

12 (2) the aggregate amount of severance tax and
13 surtax due the state pursuant to Chapter 7, Article 26 and 29
14 NMSA 1978 upon products severed and sold from land within the
15 county other than tribal land.

16 D. Notwithstanding any other provision of law to
17 the contrary, the amount of credit taken and allowed shall be
18 applied proportionately against the amount of severance tax
19 and the amount of surtax due.

20 E. The burden of showing entitlement to a credit
21 authorized by this section is on the taxpayer claiming it, and
22 the taxpayer shall furnish to the appropriate tax collecting
23 agency, in the manner determined by the taxation and revenue
24 department, proof of payment of any county tax on which the
25 credit is based.

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[bracketed material] = delete

1 F. The taxation and revenue department is
2 authorized to promulgate rules or instructions prescribing the
3 method by which a taxpayer may allocate credit for a tax
4 imposed by a county on a basis other than monthly against the
5 monthly amounts of severance tax and surtax due. "

6 Section 4. A new section of the Taxation and Revenue
7 Department Act is enacted to read:

8 "[NEW MATERIAL] COOPERATIVE AGREEMENTS WITH COUNTIES. --

9 A. The secretary may enter into cooperative
10 agreements with a county for the administration, collection,
11 remittance and audit of tax revenues of the party
12 jurisdictions.

13 B. Money collected by the department on behalf of
14 the county in accordance with an agreement entered into
15 pursuant to this section shall be collected and disbursed in
16 accordance with the terms of the agreement, notwithstanding
17 any other provision of law.

18 C. The secretary is empowered to promulgate rules
19 and to establish procedures as the secretary deems appropriate
20 for the collection and disbursement of funds due the county. "

21 Section 5. EFFECTIVE DATE. -- The effective date of the
22 provisions of this act is July 1, 2001.

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