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SENATE BILL 808

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

INTRODUCED BY

John Pinto

AN ACT

RELATING TO TAXATION; PROVIDING FOR COOPERATIVE AGREEMENTS
WITH THE NAVAJO NATION REGARDING SPECIAL FUELS; PERMITTING TAX
CREDITS.

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

Section 1. A new section of the Taxation and Revenue
Department Act is enacted to read:

" [NEW MATERIAL] COOPERATIVE AGREEMENTS WITH THE NAVAJO
NATION. --

A. The secretary may enter into cooperative
agreements with the Navajo Nation for the exchange of
information and the reciprocal, joint or common enforcement,
administration, collection, remittance and audit of revenues
associated with the special fuel excise tax imposed by Section

underscored material = new
[bracketed material] = delete

1 7-16A-3 NMSA 1978 and a qualifying excise, privilege or
2 similar tax on special fuel imposed by the Navajo Nation.

3 B. Money collected by the department on behalf of
4 the Navajo Nation in accordance with a cooperative agreement
5 entered into pursuant to this section is not money of the
6 state and shall be collected and disbursed in accordance with
7 the terms of the cooperative agreement, notwithstanding any
8 other provision of law.

9 C. The secretary is empowered to adopt rules and
10 establish procedures deemed appropriate by the secretary for
11 the collection and disbursement of excise, privilege or
12 similar tax revenue due to the Navajo Nation and for the
13 transfer of taxes collected by the Navajo Nation for the state
14 under the terms of a cooperative agreement entered into
15 pursuant to this section, including procedures for
16 identification of taxpayers or transactions that are subject
17 only to the taxing authority of the Navajo Nation, taxpayers
18 or transactions that are subject only to the taxing authority
19 of the state and taxpayers or transactions that are subject to
20 the taxing authority of both parties' jurisdictions.

21 D. Nothing in a cooperative agreement entered into
22 pursuant to this section shall be construed:

23 (1) to authorize the state or the Navajo
24 Nation to tax persons or transactions that federal law
25 prohibits;

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underscored material = new
[bracketed material] = delete

1 (2) to authorize the state courts or the
2 Navajo Nation courts to assert jurisdiction over persons who
3 are not otherwise subject to those courts' jurisdictions;

4 (3) as affecting any issue of the respective
5 civil or criminal jurisdictions of the state or the Navajo
6 Nation; or

7 (4) as an assertion or an admission by either
8 the state or the Navajo Nation that the taxes of one have
9 precedence over the taxes of the other when the person or
10 transaction is subject to the taxing authority of both
11 governments.

12 E. A cooperative agreement entered into pursuant
13 to this section shall be construed solely as an agreement
14 between the two party governments and shall not alter or
15 affect the government-to-government relations between the
16 state and any other Indian nation, tribe or pueblo. "

17 Section 2. A new section of the Special Fuels Supplier
18 Tax Act is enacted to read:

19 "[NEW MATERIAL] CREDIT--SPECIAL FUEL EXCISE TAX--TAX PAID
20 TO NAVAJO NATION. --

21 A. If on a transaction taking place on land owned
22 by or for the benefit of the Navajo Nation and located within
23 the exterior boundaries of the Navajo Nation, a Navajo Nation
24 tax has been imposed, the amount of the Navajo Nation tax may
25 be credited against tax due to the state or its political

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[bracketed material] = delete

1 subdivisions under the Special Fuels Supplier Tax Act. The
2 amount of the credit shall be equal to the qualifying Navajo
3 Nation tax imposed on the same transaction.

4 B. A Navajo Nation tax shall:

5 (1) not unlawfully discriminate among persons
6 or transactions based on membership within the Navajo Nation;

7 (2) be substantially similar to the tax
8 imposed by Section 7-16A-3 NMSA 1978; and

9 (3) be subject to a cooperative agreement
10 that has been entered into between the Navajo Nation and the
11 department pursuant to the provisions of the Taxation and
12 Revenue Department Act and that is in effect at the time of
13 the taxable transaction.

14 C. As used in this section, "Navajo Nation tax"
15 means an excise, privilege or similar tax imposed by the
16 Navajo Nation on special fuels. "

17 Section 3. EFFECTIVE DATE. --The effective date of the
18 provisions of this act is July 1, 2001.