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SENATE BILL 86

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Carlos R. Cisneros

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING AN EXEMPTION FROM MOTOR VEHICLE  
EXCISE TAX FOR CERTAIN NEW FUEL-EFFICIENT VEHICLES.

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

Section 1. Section 7-9-22 NMSA 1978 (being Laws 1969,  
Chapter 144, Section 15, as amended) is amended to read:

"7-9-22. EXEMPTION--GROSS RECEIPTS TAX--VEHICLES. --

Exempted from the gross receipts tax are the receipts from  
selling vehicles on which a tax is imposed by the Motor Vehicle  
Excise Tax Act, [~~and on~~] vehicles subject to registration under  
Section 66-3-16 NMSA 1978 and vehicles exempt from the motor  
vehicle excise tax pursuant to Subsection F of Section 7-14-6  
NMSA 1978. "

Section 2. Section 7-9-23 NMSA 1978 (being Laws 1969,  
Chapter 144, Section 16, as amended) is amended to read:

underscored material = new  
[bracketed material] = delete

1           "7-9-23.   EXEMPTION-- COMPENSATING TAX-- VEHICLES. -- Exempted  
2 from the compensating tax is the use of vehicles on which the  
3 tax imposed by the Motor Vehicle Excise Tax Act has been paid,  
4 [~~and on~~] the use of vehicles subject to registration under  
5 Section 66-3-16 NMSA 1978 and the use of vehicles exempt from  
6 the motor vehicle excise tax pursuant to Subsection F of  
7 Section 7-14-6 NMSA 1978. "

8           Section 3.   Section 7-14-6 NMSA 1978 (being Laws 1988,  
9 Chapter 73, Section 16, as amended) is amended to read:

10           "7-14-6.   EXEMPTIONS FROM TAX. --

11           A.   Persons who acquire a vehicle out of state  
12 thirty or more days before establishing a domicile in this  
13 state are exempt from the tax if the vehicle was acquired for  
14 personal use.

15           B.   Persons applying for a certificate of title for  
16 a vehicle registered in another state are exempt from the tax  
17 if they have previously registered and titled the vehicle in  
18 New Mexico and have owned the vehicle continuously since that  
19 time.

20           C.   Certificates of title for all vehicles owned by  
21 this state or any political subdivision are exempt from the  
22 tax.

23           D.   A vehicle subject to registration under Section  
24 66-3-16 NMSA 1978 is exempt from the tax.

25           E.   Persons who acquire vehicles for subsequent

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[bracketed material] = delete

1 lease shall be exempt from the tax if:

2 (1) the person does not use the vehicle in any  
3 manner other than holding it for lease or sale or leasing or  
4 selling it in the ordinary course of business;

5 (2) the lease is for a term of more than six  
6 months;

7 (3) the receipts from the subsequent lease are  
8 subject to the gross receipts tax; and

9 (4) the vehicle does not have a gross vehicle  
10 weight of over twenty-six thousand pounds.

11 F. Vehicles that are gasoline-electric hybrid  
12 vehicles with a United States environmental protection agency  
13 fuel economy rating of at least twenty-seven and one-half miles  
14 per gallon are eligible for a one-time exemption from the tax  
15 at the time of the issuance of the original certificate of  
16 title for the vehicle."

17 Section 4. EFFECTIVE DATE. --The effective date of the  
18 provisions of this act is July 1, 2004.