1	AN ACT		
2	RELATING TO TAXATION; PROVIDING AN EXEMPTION FROM MOTOR		
3	VEHICLE EXCISE TAX FOR CERTAIN NEW FUEL-EFFICIENT VEHICLES.		
4			
5	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:		
6	Section 1. Section 7-9-22 NMSA 1978 (being Laws 1969,		
7	Chapter 144, Section 15, as amended) is amended to read:		
8	"7-9-22. EXEMPTIONGROSS RECEIPTS TAXVEHICLES		
9	Exempted from the gross receipts tax are the receipts from		
10	selling vehicles on which a tax is imposed by the Motor		
11	Vehicle Excise Tax Act, vehicles subject to registration		
12	under Section 66-3-16 NMSA 1978 and vehicles exempt from the		
13	motor vehicle excise tax pursuant to Subsection F of Section		
14	7-14-6 NMSA 1978."		
15	Section 2. Section 7-9-23 NMSA 1978 (being Laws 1969,		
16	Chapter 144, Section 16, as amended) is amended to read:		
17	"7-9-23. EXEMPTIONCOMPENSATING TAXVEHICLES		
18	Exempted from the compensating tax is the use of vehicles on		
19	which the tax imposed by the Motor Vehicle Excise Tax Act has		
20	been paid, the use of vehicles subject to registration under		
21	Section 66-3-16 NMSA 1978 and the use of vehicles exempt from		
22	the motor vehicle excise tax pursuant to Subsection F of		

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

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Section 7-14-6 NMSA 1978."

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

- A. Persons who acquire a vehicle out of state thirty or more days before establishing a domicile in this state are exempt from the tax if the vehicle was acquired for personal use.
- B. Persons applying for a certificate of title for a vehicle registered in another state are exempt from the tax if they have previously registered and titled the vehicle in New Mexico and have owned the vehicle continuously since that time.
- C. Certificates of title for all vehicles owned by this state or any political subdivision are exempt from the tax.
- D. A vehicle subject to registration under Section $66-3-16\,$ NMSA 1978 is exempt from the tax.
- E. Persons who acquire vehicles for subsequent lease shall be exempt from the tax if:
- (1) the person does not use the vehicle in any manner other than holding it for lease or sale or leasing or selling it in the ordinary course of business;
- (2) the lease is for a term of more than six months;
- (3) the receipts from the subsequent lease are subject to the gross receipts tax; and
 - (4) the vehicle does not have a gross

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vehicle weight of over twenty-six thousand pounds.

F. From July 1, 2004 through June 30, 2009, vehicles that are gasoline-electric hybrid vehicles with a United States environmental protection agency fuel economy rating of at least twenty-seven and one-half miles per gallon are eligible for a one-time exemption from the tax at the time of the issuance of the original certificate of title for the vehicle."

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

SB 86

Page 3