

AN ACT

RELATING TO TAXATION; PROVIDING FOR COMPENSATING TAX
DEDUCTIONS FOR CERTAIN BIOMASS-RELATED MATERIALS AND
EQUIPMENT.

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

Section 1. A new section of the Gross Receipts and
Compensating Tax Act is enacted to read:

"DEDUCTION--COMPENSATING TAX--BIOMASS-RELATED
EQUIPMENT--BIOMASS MATERIALS.--

A. The value of a biomass boiler, gasifier,
furnace, turbine-generator, storage facility, feedstock
processing or drying equipment, feedstock trailer or
interconnection transformer may be deducted in computing the
compensating tax due.

B. The value of biomass materials used for
processing into biopower, biofuels or biobased products may be
deducted in computing the compensating tax due.

C. As used in this section:

(1) "biobased products" means products
created from plant- or crop-based resources such as
agricultural crops and crop residues, forestry, pastures and
rangelands that are normally made from petroleum;

(2) "biofuels" means biomass converted to
liquid or gaseous fuels such as ethanol, methanol, methane and

hydrogen;

(3) "biomass material" means organic material that is available on a renewable or recurring basis, including:

(a) forest-related materials, including mill residues, logging residues, forest thinnings, slash, brush, low commercial value materials or undesirable species, salt cedar and other phreatophyte or woody vegetation removed from river basins or watersheds and woody material harvested for the purpose of forest fire fuel reduction or forest health and watershed improvement;

(b) agricultural-related materials, including orchard trees, vineyard, grain or crop residues, including straws and stover, aquatic plants and agricultural processed co-products and waste products, including fats, oils, greases, whey and lactose;

(c) animal waste, including manure and slaughterhouse and other processing waste;

(d) solid woody waste materials, including landscape or right-of-way tree trimmings, range land maintenance residues, waste pallets, crates and manufacturing, construction and demolition wood wastes, excluding pressure-treated, chemically treated or painted wood wastes and wood contaminated with plastic;

(e) crops and trees planted for the

