

FORTY-SEVENTH LEGISLATURE  
SECOND SESSION, 2006

February 13, 2006

Mr. Speaker:

Your **TAXATION AND REVENUE COMMITTEE**, to whom has been referred

**SENATE FINANCE COMMITTEE SUBSTITUTE FOR  
SENATE BILL 229**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 5, line 24 through page 6, line 23, strike Section 3 in its entirety and insert in lieu thereof the following new section:

"Section 3. Section 7-12-7 NMSA 1978 (being Laws 1971, Chapter 77, Section 7, as amended) is amended to read:

"7-12-7. SALE OF STAMPS--PRICES.--

A. Only the department shall sell stamps [to any person who sells in New Mexico cigarettes manufactured by that person and to any person who receives on consignment or buys unstamped cigarettes for sale, gift or consumption in New Mexico, provided such persons are registered with the department under the provisions of Section 7-1-12 NMSA 1978]. Stamps may be sold by the department only to a distributor.

B. Stamps shall display a serial number. Stamps bearing the same serial number shall not be sold to more than one distributor. The department shall keep records of the serial numbers of the stamps provided to each distributor.

C. A stamp shall be affixed to a package of cigarettes in such a manner as to clearly display the serial number at the point of sale.

D. Tax stamps shall be sold at their face value with the following discounts:

(1) [~~four~~] one percent less than the face value of the first thirty thousand dollars (\$30,000) of stamps purchased in one calendar month;

**FORTY-SEVENTH LEGISLATURE  
SECOND SESSION, 2006**

HTRC/CS/SB 229

Page 2

(2) [~~three~~] eight-tenths percent less than the face value of the second thirty thousand dollars (\$30,000) of stamps purchased in one calendar month; and

(3) [~~two~~] one-half percent less than the face value of [~~all~~] stamps purchased in excess of sixty thousand dollars (\$60,000) in one calendar month.

[~~B.~~] E. If the face value of tax stamps sold in a single sale is less than one thousand dollars (\$1,000), the discount provided for in this section shall not be allowed.

[~~G.~~] F. Payment for tax stamps shall be made on or before the twenty-fifth day of the month following the month in which the sale of stamps by the department is made.

G. Tax-exempt stamps shall be provided only to distributors and shall be free of charge; provided that the distributor is in full compliance with the reporting requirements of the Cigarette Tax Act and rules adopted pursuant to that act.".,

and thence referred to the **APPROPRIATIONS AND FINANCE COMMITTEE**.

The roll call vote on Amendment #1 was 12 For 1 Against  
Yes: 12  
No: Gardner  
Excused: Sandoval, Taylor, Tripp

Respectfully submitted,

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Donald L. Whitaker, Chairman

**FORTY-SEVENTH LEGISLATURE  
SECOND SESSION, 2006**

HTRC/CS/SB 229

Page 3

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 13 For 0 Against  
Yes: 13  
No: 0  
Excused: Sandoval, Silva, Tripp  
Absent: None

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