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SENATE BILL 12

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2009**

INTRODUCED BY

Bernadette M. Sanchez

AN ACT

RELATING TO REVENUE; INCREASING THE CIGARETTE TAX BY FIFTY  
CENTS PER PACK; ADJUSTING CIGARETTE STAMP DISCOUNTS; ADJUSTING  
CIGARETTE TAX DISTRIBUTIONS; DECLARING AN EMERGENCY.

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

Section 1. Section 7-1-6.11 NMSA 1978 (being Laws 1983,  
Chapter 211, Section 16, as amended) is amended to read:

"7-1-6.11. DISTRIBUTIONS OF CIGARETTE TAXES.--

A. A distribution pursuant to Section 7-1-6.1 NMSA  
1978 shall be made to the county and municipality recreational  
fund in an amount equal to [~~one and thirty-five hundredths~~] one  
and eight-hundredths percent of the net receipts, exclusive of  
penalties and interest, attributable to the cigarette tax.

B. A distribution pursuant to Section 7-1-6.1 NMSA  
1978 shall be made to the county and municipal cigarette tax

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1 fund in an amount equal to [~~two and sixty-nine hundredths~~] one  
2 and eighty-five hundredths percent of the net receipts,  
3 exclusive of penalties and interest, attributable to the  
4 cigarette tax.

5 C. A distribution pursuant to Section 7-1-6.1 NMSA  
6 1978 shall be made to the cancer research and treatment center  
7 at the university of New Mexico health sciences center in an  
8 amount equal to [~~one and thirty-five hundredths~~] one and eight-  
9 hundredths percent of the net receipts, exclusive of penalties  
10 and interest, attributable to the cigarette tax.

11 D. A distribution pursuant to Section 7-1-6.1 NMSA  
12 1978 shall be made to the New Mexico finance authority in an  
13 amount equal to [~~two and two hundredths~~] one and sixty-one  
14 hundredths percent of the net receipts, exclusive of penalties  
15 and interest, attributable to the cigarette tax.

16 E. A distribution pursuant to Section 7-1-6.1 NMSA  
17 1978 in an amount equal to [~~fourteen and thirty-seven~~  
18 ~~hundredths~~] eleven and forty-nine hundredths percent of the net  
19 receipts, exclusive of penalties and interest, attributable to  
20 the cigarette tax, shall be made, on behalf of and for the  
21 benefit of the university of New Mexico health sciences center,  
22 to the New Mexico finance authority.

23 F. A distribution pursuant to Section 7-1-6.1 NMSA  
24 1978 in an amount equal to [~~six and five hundredths~~] four and  
25 eighty-four hundredths percent of the net receipts, exclusive

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1 of penalties and interest, attributable to the cigarette tax  
2 shall be made to the New Mexico finance authority for land  
3 acquisition and the planning, designing, construction and  
4 equipping of department of health facilities or improvements to  
5 such facilities.

6 G. A distribution pursuant to Section 7-1-6.1 NMSA  
7 1978 in an amount equal to [~~fifteen and seventy-nine~~  
8 ~~hundredths~~] eleven and forty-nine hundredths percent of the net  
9 receipts, exclusive of penalties and interest, attributable to  
10 the cigarette tax shall be made to the New Mexico finance  
11 authority for deposit in the credit enhancement account created  
12 in the authority.

13 H. A distribution pursuant to Section 7-1-6.1 NMSA  
14 1978 in an amount equal to [~~one~~] eight-tenths percent of the  
15 net receipts, exclusive of penalties and interest, attributable  
16 to the cigarette tax shall be made, on behalf of and for the  
17 benefit of the rural county cancer treatment fund, to the New  
18 Mexico finance authority."

19 Section 2. Section 7-12-3 NMSA 1978 (being Laws 1971,  
20 Chapter 77, Section 3, as amended) is amended to read:

21 "7-12-3. EXCISE TAX ON CIGARETTES--RATES.--

22 A. For the privilege of selling, giving or  
23 consuming cigarettes in New Mexico, there is levied an excise  
24 tax at the following rates for each cigarette sold, given or  
25 consumed in this state:

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1 (1) [~~four and fifty-five hundredths cents~~  
2 (~~\$.0455~~)] seven and five-hundredths cents (\$.0705) if the  
3 cigarettes are packaged in lots of twenty or twenty-five;

4 (2) [~~nine and ten-hundredths cents (\$.091)~~]  
5 fourteen and ten-hundredths cents (\$.0141) if the cigarettes  
6 are packaged in lots of ten; or

7 (3) [~~eighteen and twenty-hundredths cents~~  
8 (~~\$.182~~)] twenty-eight and twenty hundredths cents (\$.282) if  
9 the cigarettes are packaged in lots of five.

10 B. The tax imposed by this section shall be  
11 referred to as the "cigarette tax".

12 Section 3. Section 7-12-7 NMSA 1978 (being Laws 1971,  
13 Chapter 77, Section 7, as amended by Laws 2006, Chapter 89,  
14 Section 3 and by Laws 2006, Chapter 91, Section 6) is amended  
15 to read:

16 "7-12-7. SALE OF STAMPS--PRICES.--

17 A. Only the department shall sell stamps. Stamps  
18 may be sold by the department only to a distributor.

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

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

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

3 (1) [~~one~~] sixty-five hundredths percent less  
4 than the face value of the first thirty thousand dollars  
5 (\$30,000) of stamps purchased in one calendar month;

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

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

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

15 F. Payment for tax stamps shall be made on or  
16 before the twenty-fifth day of the month following the month in  
17 which the sale of stamps by the department is made.

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

23 Section 4. CONTINGENT EFFECTIVE DATE.--The effective date  
24 of the provisions of this act is January 1, 2010; provided that  
25 the act is adopted by a two-thirds' vote of each house. If

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1 this act is passed by both houses and is passed by less than a  
2 two-thirds' vote of either house, the effective date shall be  
3 February 1, 2010.

4 Section 5. EMERGENCY.--It is necessary for the public  
5 peace, health and safety that this act take effect immediately.

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