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SENATE BILL 5

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SPECIAL SESSION, 2010

INTRODUCED BY

Bernadette M. Sanchez

AN ACT

RELATING TO TAXATION; ADJUSTING THE DISTRIBUTION OF THE LIQUOR
EXCISE TAX; INCREASING THE LIQUOR EXCISE TAX; CREATING A FUND;
MAKING AN APPROPRIATION.

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

Section 1. Section 7-1-6.40 NMSA 1978 (being Laws 1997,
Chapter 182, Section 1, as amended) is amended to read:

"7-1-6.40. DISTRIBUTION--LOCAL DWI GRANT FUND--
MUNICIPALITIES--MENTAL HEALTH AND SUBSTANCE ABUSE TREATMENT
FUND--

A. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the local DWI grant fund in an amount
equal to [~~forty-one and fifty-hundredths~~] twenty-nine and
seventy-eight-hundredths percent of the net receipts
attributable to the liquor excise tax.

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1 B. A distribution pursuant to Section 7-1-6.1 NMSA
2 1978 of twenty thousand seven hundred fifty dollars (\$20,750)
3 monthly from the net receipts attributable to the liquor excise
4 tax shall be made to a municipality that is located in a class
5 A county and that has a population according to the most recent
6 federal decennial census of more than thirty thousand but less
7 than sixty thousand. The distribution pursuant to this
8 subsection shall be used by the municipality only for the
9 provision of alcohol treatment and rehabilitation services for
10 street inebriates.

11 C. A distribution pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to the mental health and substance abuse
13 treatment fund in an amount equal to twenty-four and thirty-
14 three-hundredths percent of the net receipts attributable to
15 the liquor excise tax."

16 Section 2. Section 7-17-5 NMSA 1978 (being Laws 1993,
17 Chapter 65, Section 8, as amended) is amended to read:

18 "7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX.--

19 A. There is imposed on a wholesaler who sells
20 alcoholic beverages on which the tax imposed by this section
21 has not been paid an excise tax, to be referred to as the
22 "liquor excise tax", at the following rates on alcoholic
23 beverages sold:

24 (1) on spirituous liquors, [~~one dollar sixty~~
25 ~~cents (\$1.60)] two dollars seventy-three cents (\$2.73) per~~

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1 liter;

2 (2) on beer, except as provided in Paragraph
3 (5) of this subsection, [~~forty-one cents (\$.41)~~] ninety-four
4 cents (\$.94) per gallon;

5 (3) on wine, except as provided in Paragraphs
6 (4) and (6) of this subsection, forty-five cents (\$.45) per
7 liter;

8 (4) on fortified wine, [~~one dollar fifty cents~~
9 ~~(\$1.50)~~] one dollar ninety-two cents (\$1.92) per liter;

10 (5) on beer manufactured or produced by a
11 microbrewer and sold in this state, provided that proof is
12 furnished to the department that the beer was manufactured or
13 produced by a microbrewer, [~~eight cents (\$.08)~~] sixty-one cents
14 (\$.61) per gallon;

15 (6) on wine manufactured or produced by a
16 small winegrower and sold in this state, provided that proof is
17 furnished to the department that the wine was manufactured or
18 produced by a small winegrower, ten cents (\$.10) per liter on
19 the first eighty thousand liters sold and twenty cents (\$.20)
20 per liter on all liters sold over eighty thousand liters but
21 less than nine hundred fifty thousand liters; and

22 (7) on cider, [~~forty-one cents (\$.41)~~] ninety-
23 four cents (\$.94) per gallon.

24 B. The volume of wine transferred from one
25 winegrower to another winegrower for processing, bottling or

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1 storage and subsequent return to the transferor shall be
2 excluded pursuant to Section 7-17-6 NMSA 1978 from the taxable
3 volume of wine of the transferee. Wine transferred from an
4 initial winegrower to a second winegrower remains a tax
5 liability of the transferor, provided that if the wine is
6 transferred to the transferee for the transferee's use or for
7 resale, the transferee then assumes the liability for the tax
8 due pursuant to this section.

9 C. A transfer of wine from a winegrower to a
10 wholesaler for distribution of the wine transfers the liability
11 for payment of the liquor excise tax to the wholesaler upon the
12 sale of the wine by the wholesaler."

13 Section 3. [NEW MATERIAL] MENTAL HEALTH AND SUBSTANCE
14 ABUSE TREATMENT FUND--CREATED--PURPOSE--LIMITATION ON
15 EXPENDITURES.--The "mental health and substance abuse treatment
16 fund" is created as a nonreverting fund in the state treasury.
17 The fund consists of distributions pursuant to Section 7-1-6.40
18 NMSA 1978 and any other money credited to the fund. The fund
19 shall be administered by the human services department, and
20 money in the fund is appropriated to the department to provide
21 for mental health and substance abuse treatment. Money from
22 the fund shall not to be used to pay for mental health or
23 substance abuse prevention programs. Expenditures from the
24 fund shall be by warrant of the secretary of finance and
25 administration pursuant to vouchers signed by the secretary of

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1 human services or the secretary's authorized representative.

2 Section 4. APPLICABILITY.--The distributions pursuant to
3 Section 1 of this act apply to receipts from the liquor excise
4 tax that are attributable to sales on or after July 1, 2010.

5 Section 5. EFFECTIVE DATE.--The effective date of the
6 provisions of this act is July 1, 2010.

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