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SENATE BILL

**56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

INTRODUCED BY

Bill Tallman

AN ACT

RELATING TO ELECTRIC MOTOR VEHICLES; CREATING THE ELECTRIC  
VEHICLE INCOME TAX CREDIT; CREATING THE ELECTRIC VEHICLE  
CHARGING UNIT INCOME TAX CREDIT; REQUIRING AN ADDITIONAL  
REGISTRATION FEE FOR ELECTRIC AND PLUG-IN HYBRID ELECTRIC  
VEHICLES; PROVIDING THAT THE ADDITIONAL REGISTRATION FEES BE  
DISTRIBUTED TO THE STATE ROAD FUND AND THE TRANSPORTATION  
PROJECT FUND.

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

SECTION 1. A new section of the Income Tax Act is enacted  
to read:

"[NEW MATERIAL] ELECTRIC VEHICLE INCOME TAX CREDIT.--

A. A taxpayer who is not a dependent of another  
individual and who, beginning on the effective date of this  
section and prior to January 1, 2028, purchases an electric

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1 vehicle or enters into a new lease of at least three years for  
2 an electric vehicle may claim a credit against the taxpayer's  
3 tax liability imposed pursuant to the Income Tax Act in an  
4 amount provided in Subsection B of this section. The tax  
5 credit provided by this section may be referred to as the  
6 "electric vehicle income tax credit".

7 B. The electric vehicle income tax credit shall be  
8 in an amount equal to three thousand two hundred fifty dollars  
9 (\$3,250).

10 C. A taxpayer shall apply for certification of  
11 eligibility for the electric vehicle income tax credit from the  
12 department on forms and in the manner prescribed by the  
13 department. Except as provided in Subsection H of this  
14 section, only one electric vehicle income tax credit shall be  
15 allowed for each electric vehicle purchased or leased. The  
16 application shall include proof of purchase or lease, the  
17 electric vehicle's registration or application for registration  
18 and any additional information that the department may require  
19 to determine eligibility for the credit. The department shall  
20 issue a dated certificate of eligibility to the taxpayer  
21 providing the amount of the electric vehicle income tax credit  
22 for which the taxpayer is eligible and the taxable year in  
23 which the credit may be claimed for an electric vehicle that  
24 was purchased or leased.

25 D. The aggregate amount of electric vehicle income

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1 tax credit claims that may be authorized for payment in any  
2 fiscal year is ten million dollars (\$10,000,000). If a  
3 taxpayer submits a claim for a tax credit but is unable to  
4 receive the tax credit because the claims for the fiscal year  
5 exceed the limitation provided in this subsection, the  
6 taxpayer's claim shall be placed at the front of a queue of  
7 credit claimants for the subsequent fiscal year in the order of  
8 the date on which the credit was authorized for payment.  
9 Completed applications for the tax credit shall be considered  
10 in the order received by the department.

11 E. Applications for certification of an electric  
12 vehicle income tax credit shall be made no later than one  
13 calendar year from the date in which the electric vehicle is  
14 purchased or the lease is entered into.

15 F. A certificate of eligibility for an electric  
16 vehicle income tax credit may be sold, exchanged or otherwise  
17 transferred to another taxpayer for the full value of the  
18 credit. The parties to such a transaction shall notify the  
19 department of the sale, exchange or transfer within ten days of  
20 the sale, exchange or transfer.

21 G. That portion of an approved electric vehicle  
22 income tax credit claimed by a taxpayer that exceeds the  
23 taxpayer's income tax liability in the taxable year in which an  
24 electric vehicle income tax credit is claimed shall be refunded  
25 to the taxpayer.

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1           H. Married individuals filing separate returns for  
2 a taxable year for which they could have filed a joint return  
3 may each claim only one-half of the electric vehicle income tax  
4 credit that would have been claimed on a joint return.

5           I. A taxpayer shall submit to the department  
6 information required by the department with respect to the  
7 purchase or lease of an electric vehicle by the taxpayer during  
8 the taxable year for which the electric vehicle income tax  
9 credit is claimed.

10           J. A taxpayer allowed an electric vehicle income  
11 tax credit shall report the amount of the tax credit to the  
12 department on a form and in a manner required by the  
13 department.

14           K. The department shall compile an annual report on  
15 the electric vehicle income tax credit that shall include the  
16 number of taxpayers approved by the department to receive the  
17 tax credit, the aggregate amount of tax credits approved and  
18 any other information necessary to evaluate the tax credit.  
19 The department shall compile and present the annual report to  
20 the revenue stabilization and tax policy committee and the  
21 legislative finance committee with an analysis of the cost of  
22 the tax credit.

23           L. As used in this section:

24                   (1) "electric vehicle" means a new motor  
25 vehicle registered or purchased in New Mexico that derives all

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1 or part of the vehicle's power from electricity stored in a  
2 battery that:

3 (a) has a capacity of not less than six  
4 kilowatt-hours;

5 (b) is capable of powering the vehicle  
6 for a range of at least forty miles; and

7 (c) is capable of being recharged from  
8 an external source of electricity; and

9 (2) "motor vehicle" means a vehicle with four  
10 wheels that:

11 (a) is required under the Motor Vehicle  
12 Code to be registered in this state;

13 (b) is made by a manufacturer;

14 (c) has a base manufacturer suggested  
15 retail price, before options and destination charges, of  
16 fifty-five thousand dollars (\$55,000) or less, before any taxes  
17 are imposed;

18 (d) is manufactured primarily for use on  
19 public streets, roads or highways;

20 (e) has not been modified from the  
21 original manufacturer specifications;

22 (f) is rated at not less than two  
23 thousand two hundred pounds unloaded base weight and not more  
24 than nine thousand seven hundred fifty pounds unloaded base  
25 weight; and

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1 (g) has a maximum speed capability of at  
2 least sixty-five miles per hour."

3 SECTION 2. A new section of the Income Tax Act is enacted  
4 to read:

5 "[NEW MATERIAL] ELECTRIC VEHICLE CHARGING UNIT INCOME TAX  
6 CREDIT.--

7 A. For taxable years beginning prior to January 1,  
8 2028, a taxpayer who is not a dependent of another individual  
9 and who purchases and installs an electric vehicle charging  
10 unit may claim a credit against the taxpayer's tax liability  
11 imposed pursuant to the Income Tax Act. The tax credit  
12 provided by this section may be referred to as the "electric  
13 vehicle charging unit income tax credit".

14 B. The electric vehicle charging unit income tax  
15 credit shall not exceed three hundred dollars (\$300) or the  
16 cost to purchase and install an electric vehicle charging unit,  
17 whichever is less.

18 C. A taxpayer shall apply for certification of  
19 eligibility for the electric vehicle charging unit income tax  
20 credit from the department on forms and in the manner  
21 prescribed by the department. The aggregate amount of electric  
22 vehicle charging unit income tax credits that may be certified  
23 as eligible in any calendar year is one million dollars  
24 (\$1,000,000). Completed applications shall be considered in  
25 the order received. If a taxpayer submits a claim for a tax

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1 credit but is unable to receive the tax credit because the  
2 claims for the fiscal year exceed the limitation provided in  
3 this subsection, the taxpayer's claim shall be placed at the  
4 front of a queue of credit claimants for the subsequent fiscal  
5 year in the order of the date on which the credit was  
6 authorized for payment.

7 D. An application for certification of eligibility  
8 shall include a receipt for the purchase of the electric  
9 vehicle charging unit, a copy of the data sheet that specifies  
10 the connector type, plug type, voltage and current of the  
11 electric vehicle charging unit and any additional information  
12 that the department may require to determine eligibility for  
13 the credit. The department shall issue a dated certificate of  
14 eligibility to the taxpayer providing the amount of the  
15 electric vehicle charging unit income tax credit for which the  
16 taxpayer is eligible and the taxable year in which the credit  
17 may be claimed.

18 E. Applications for certification of an electric  
19 vehicle charging unit income tax credit shall be made no later  
20 than one calendar year from the date in which the electric  
21 vehicle charging unit for which the credit is claimed is  
22 purchased and installed.

23 F. That portion of an electric vehicle charging  
24 unit income tax credit that exceeds a taxpayer's income tax  
25 liability in the taxable year in which an electric vehicle

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1 charging unit income tax credit is claimed shall be refunded to  
2 the taxpayer.

3 G. Married individuals filing separate returns for  
4 a taxable year for which they could have filed a joint return  
5 may each claim only one-half of the electric vehicle charging  
6 unit income tax credit that would have been claimed on a joint  
7 return.

8 H. A taxpayer allowed a tax credit pursuant to this  
9 section shall report the amount of the tax credit to the  
10 department in a manner required by the department.

11 I. The department shall compile an annual report on  
12 the electric vehicle charging unit income tax credit that shall  
13 include the number of taxpayers approved by the department to  
14 receive the tax credit, the aggregate amount of tax credits  
15 approved and any other information necessary to evaluate the  
16 effectiveness of the tax credit. The department shall present  
17 the annual report to the revenue stabilization and tax policy  
18 committee and the legislative finance committee with an  
19 analysis of the effectiveness and cost of the tax credit and  
20 whether the tax credit is performing the purpose for which it  
21 was created.

22 J. As used in this section:

23 (1) "electric vehicle" means a motor vehicle  
24 subject to the registration fee pursuant to Section 66-6-2 or  
25 66-6-4 NMSA 1978 that derives all or part of the vehicle's

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1 power from electricity stored in a battery that:

2 (a) has a capacity of not less than six  
3 kilowatt-hours;

4 (b) is capable of powering the vehicle  
5 for a range of at least forty miles; and

6 (c) is capable of being recharged from  
7 an external source of electricity; and

8 (2) "electric vehicle charging unit" means a  
9 device that:

10 (a) is used to provide electricity to an  
11 electric vehicle;

12 (b) is designed to create a connection  
13 between an electricity source and the electric vehicle;

14 (c) uses the electric vehicle's control  
15 system to ensure that electricity flows at an appropriate  
16 voltage and current level; and

17 (d) is installed on residential property  
18 located in the state."

19 SECTION 3. A new section of the Motor Vehicle Code is  
20 enacted to read:

21 "[NEW MATERIAL] ADDITIONAL REGISTRATION FEE--ELECTRIC AND  
22 PLUG-IN HYBRID ELECTRIC VEHICLES.--

23 A. For registration of vehicles subject to the  
24 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA  
25 1978, there is imposed an additional annual fee of one hundred  
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1 twenty dollars (\$120) for which an electric vehicle with a  
2 gross vehicle weight of twenty-six thousand pounds or less is  
3 registered.

4 B. For registration of vehicles subject to the  
5 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA  
6 1978, there is imposed an additional annual fee of sixty  
7 dollars (\$60.00) for which a plug-in hybrid electric vehicle  
8 with a gross vehicle weight of twenty-six thousand pounds or  
9 less is registered.

10 C. All fees collected pursuant to this section  
11 shall be paid to the state treasurer to the credit of the motor  
12 vehicle suspense fund with distribution in accordance with  
13 Section 66-6-23 NMSA 1978.

14 D. As used in this section:

15 (1) "electric vehicle" means a motor vehicle  
16 that derives all of the vehicle's power from electricity stored  
17 in a battery that:

18 (a) has a capacity of not less than six  
19 kilowatt-hours;

20 (b) is capable of powering the vehicle  
21 for a range of at least forty miles; and

22 (c) is capable of being recharged from  
23 an external source of electricity; and

24 (2) "plug-in hybrid electric vehicle" means a  
25 motor vehicle that derives part of the vehicle's power from

1 electricity stored in a battery that:

2 (a) has a capacity of not less than six  
3 kilowatt-hours;

4 (b) is capable of powering the vehicle  
5 for a range of at least forty miles; and

6 (c) is capable of being recharged from  
7 an external source of electricity."

8 SECTION 4. Section 66-6-23 NMSA 1978 (being Laws 1978,  
9 Chapter 35, Section 358, as amended) is amended to read:

10 "66-6-23. DISPOSITION OF FEES.--

11 A. After the necessary disbursements for refunds  
12 and other purposes have been made, the money remaining in the  
13 motor vehicle suspense fund, except for remittances received  
14 within the previous two months that are unidentified as to  
15 source or disposition, shall be distributed as follows:

16 (1) to each municipality, county or fee agent  
17 operating a motor vehicle field office:

18 (a) an amount equal to six dollars  
19 (\$6.00) per driver's license and five dollars (\$5.00) per  
20 identification card or motor vehicle or motorboat registration  
21 or title transaction performed;

22 (b) for each such agent determined by  
23 the secretary pursuant to Section 66-2-16 NMSA 1978 to have  
24 performed ten thousand or more transactions in the preceding  
25 fiscal year, other than a class A county with a population

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1 exceeding three hundred thousand or a municipality with a  
2 population exceeding three hundred thousand that has been  
3 designated as an agent pursuant to Section 66-2-14.1 NMSA 1978,  
4 an amount equal to one dollar (\$1.00) in addition to the amount  
5 distributed pursuant to Subparagraph (a) of this paragraph for  
6 each driver's license, identification card, motor vehicle  
7 registration, motorboat registration or title transaction  
8 performed; and

9 (c) to each military installation  
10 designated as a fee agent pursuant to Section 66-2-14.1 NMSA  
11 1978, an amount equal to one dollar fifty cents (\$1.50) in  
12 addition to the amount distributed pursuant to Subparagraph (a)  
13 of this paragraph for each administrative service fee remitted  
14 by the military installation to the department pursuant to  
15 Subsection A of Section 66-2-16 NMSA 1978;

16 (2) to each municipality or county, other than  
17 a class A county with a population exceeding three hundred  
18 thousand or a municipality with a population exceeding three  
19 hundred thousand that has been designated as an agent pursuant  
20 to Section 66-2-14.1 NMSA 1978, operating a motor vehicle field  
21 office, an amount equal to one dollar fifty cents (\$1.50) for  
22 each administrative service fee remitted by that county or  
23 municipality to the department pursuant to the provisions of  
24 Subsection A of Section 66-2-16 NMSA 1978;

25 (3) to the state road fund:

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1 (a) an amount equal to the fees  
2 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA  
3 1978;

4 (b) an amount equal to the fee collected  
5 pursuant to Section 66-3-417 NMSA 1978;

6 (c) the remainder of each driver's  
7 license fee collected by the department employees from an  
8 applicant to whom a license is granted after deducting from the  
9 driver's license fee the amount of the distribution authorized  
10 in Paragraph (1) of this subsection with respect to that  
11 collected driver's license fee; [~~and~~]

12 (d) an amount equal to fifty percent of  
13 the fees collected pursuant to Section 66-6-19 NMSA 1978; and

14 (e) an amount equal to seventy-seven  
15 percent of the fees collected pursuant to Section 3 of this  
16 2023 act;

17 (4) to the local governments road fund, the  
18 amount of the fees collected pursuant to Subsection B of  
19 Section 66-5-33.1 NMSA 1978 and the remainder of the fees  
20 collected pursuant to Subsection A of Section 66-5-408 NMSA  
21 1978;

22 (5) to the transportation project fund, an  
23 amount equal to twenty-three percent of the fees collected  
24 pursuant to Section 3 of this 2023 act;

25 [~~5~~] (6) to the department:

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1 (a) any amounts reimbursed to the  
2 department pursuant to Subsection D of Section 66-2-14.1 NMSA  
3 1978;

4 (b) an amount equal to two dollars  
5 (\$2.00) of each motorcycle registration fee collected pursuant  
6 to Section 66-6-1 NMSA 1978;

7 (c) an amount equal to the fees provided  
8 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E  
9 of Section 66-2-16 NMSA 1978, Subsections K and L of Section  
10 66-3-6 NMSA 1978 other than the administrative fee, Subsection  
11 C of Section 66-5-44 NMSA 1978 and Subsection B of Section  
12 66-5-408 NMSA 1978;

13 (d) the amounts due to the department  
14 for the manufacture and issuance of a special registration  
15 plate collected pursuant to the section of law authorizing the  
16 issuance of the specialty plate;

17 (e) an amount equal to the registration  
18 fees collected pursuant to Section 66-6-6.1 NMSA 1978 for the  
19 purposes of enforcing the provisions of the Mandatory Financial  
20 Responsibility Act and for creating and maintaining a  
21 multilanguage noncommercial driver's license testing program;  
22 and after those purposes are met, the balance of the  
23 registration fees shall be distributed to the department to  
24 defray the costs of operating the [~~motor vehicle~~] division;

25 (f) an amount equal to fifty cents

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1 (\$ .50) for each administrative fee remitted to the department  
2 by a county or municipality operating a motor vehicle field  
3 office pursuant to Subsection A of Section 66-2-16 NMSA 1978;

4 (g) an amount equal to one dollar  
5 twenty-five cents (\$1.25) for each administrative fee collected  
6 by the department or any of its agents other than a county or  
7 municipality operating a motor vehicle field office pursuant to  
8 Subsection A of Section 66-2-16 NMSA 1978; and

9 (h) an amount equal to the royalties or  
10 other consideration paid by commercial users of databases of  
11 motor vehicle-related records of the department pursuant to  
12 Subsection C of Section 14-3-15.1 NMSA 1978 for the purpose of  
13 defraying the costs of maintaining databases of motor vehicle-  
14 related records of the department; and after that purpose is  
15 met, the balance of the royalties and other consideration shall  
16 be distributed to the department to defray the costs of  
17 operating the [~~motor vehicle~~] division or for use pursuant to  
18 Subsection F of Section 66-6-13 NMSA 1978;

19 [~~(6)~~] (7) to each New Mexico institution of  
20 higher education, an amount equal to that part of the fees  
21 distributed pursuant to Paragraph (2) of Subsection D of  
22 Section 66-3-416 NMSA 1978 proportionate to the number of  
23 special registration plates issued in the name of the  
24 institution to all such special registration plates issued in  
25 the name of all institutions;

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1                    [~~(7)~~] (8) to the armed forces veterans license  
2 fund, the amount to be distributed pursuant to Paragraph (2) of  
3 Subsection E of Section 66-3-419 NMSA 1978;

4                    [~~(8)~~] (9) to the children's trust fund, the  
5 amount to be distributed pursuant to Paragraph (2) of  
6 Subsection D of Section 66-3-420 NMSA 1978;

7                    [~~(9)~~] (10) to the department of  
8 transportation, an amount equal to the fees collected pursuant  
9 to Section 66-5-35 NMSA 1978;

10                   [~~(10)~~] (11) to the state equalization  
11 guarantee distribution made annually pursuant to the general  
12 appropriation act, an amount equal to one hundred percent of  
13 the driver safety fee collected pursuant to Subsection D of  
14 Section 66-5-44 NMSA 1978;

15                   [~~(11)~~] (12) to the motorcycle training fund,  
16 two dollars (\$2.00) of each motorcycle registration fee  
17 collected pursuant to Section 66-6-1 NMSA 1978;

18                   [~~(12)~~] (13) to the recycling and illegal  
19 dumping fund:

20                                    (a) fifty cents (\$.50) of the tire  
21 recycling fee collected pursuant to the provisions of Section  
22 66-6-1 NMSA 1978;

23                                    (b) fifty cents (\$.50) of each of the  
24 tire recycling fees collected pursuant to the provisions of  
25 Sections 66-6-2 and 66-6-4 NMSA 1978; and

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1 (c) twenty-five cents (\$.25) of each of  
2 the tire recycling fees collected pursuant to Sections 66-6-5  
3 and 66-6-8 NMSA 1978;

4 [~~(13)~~] (14) to the highway infrastructure  
5 fund:

6 (a) fifty cents (\$.50) of the tire  
7 recycling fee collected pursuant to the provisions of Section  
8 66-6-1 NMSA 1978;

9 (b) one dollar (\$1.00) of each of the  
10 tire recycling fees collected pursuant to the provisions of  
11 Sections 66-6-2 and 66-6-4 NMSA 1978; and

12 (c) twenty-five cents (\$.25) of each of  
13 the tire recycling fees collected pursuant to Sections 66-6-5  
14 and 66-6-8 NMSA 1978;

15 [~~(14)~~] (15) to each county, an amount equal to  
16 fifty percent of the fees collected pursuant to Section 66-6-19  
17 NMSA 1978 multiplied by a fraction, the numerator of which is  
18 the total mileage of public roads maintained by the county and  
19 the denominator of which is the total mileage of public roads  
20 maintained by all counties in the state;

21 [~~(15)~~] (16) to the litter control and  
22 beautification fund, an amount equal to the fees collected  
23 pursuant to Section 66-6-6.2 NMSA 1978;

24 [~~(16)~~] (17) to the local government division  
25 of the department of finance and administration, an amount

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1 equal to the fees collected pursuant to Section 66-3-424.3 NMSA  
2 1978 for distribution to each county to support animal control  
3 spaying and neutering programs in an amount proportionate to  
4 the number of residents of that county who have purchased pet  
5 care special registration plates pursuant to Section 66-3-424.3  
6 NMSA 1978; and

7 [~~(17)~~] (18) to the Cumbres and Toltec scenic  
8 railroad commission, twenty-five dollars (\$25.00) collected  
9 pursuant to the Cumbres and Toltec scenic railroad special  
10 registration plate.

11 B. The balance, exclusive of unidentified  
12 remittances, shall be distributed in accordance with Section  
13 66-6-23.1 NMSA 1978.

14 C. If any of the paragraphs, subsections or  
15 sections referred to in Subsection A of this section are  
16 recompiled or otherwise redesignated without a corresponding  
17 change to Subsection A of this section, the reference in  
18 Subsection A of this section shall be construed to be the  
19 recompiled or redesignated paragraph, subsection or section."

20 SECTION 5. APPLICABILITY.--The provisions of Sections 1  
21 and 2 of this act apply to taxable years beginning on or after  
22 January 1, 2023.

23 SECTION 6. EFFECTIVE DATE.--The effective date of the  
24 provisions of Sections 3 and 4 of this act is January 1, 2024.