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SENATE BILL

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

INTRODUCED BY

Bill Tallman

AN ACT

RELATING TO TAXATION; DISTRIBUTING A PORTION OF THE LIQUOR
EXCISE TAX TO THE DOMESTIC VIOLENCE VICTIMS FUND; CREATING THE
DOMESTIC VIOLENCE VICTIMS FUND; CONVERTING THE IMPOSITION OF
THE LIQUOR EXCISE TAX TO A PER CENT, PER SERVING BASIS;
AUTHORIZING ALL COUNTIES TO IMPOSE A LOCAL LIQUOR EXCISE TAX.

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 OF LIQUOR EXCISE TAX--LOCAL DWI
GRANT FUND--CERTAIN MUNICIPALITIES--DRUG COURT FUND--DOMESTIC
VIOLENCE VICTIMS FUND.--

A. A distribution pursuant to Section 7-1-6.1 NMSA
1978 in an amount equal to forty-five percent of the net
receipts attributable to the liquor excise tax shall be made to
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1 the local DWI grant fund.

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

12 C. [~~Beginning July 1, 2019~~] A distribution pursuant
13 to Section 7-1-6.1 NMSA 1978 in an amount equal to five percent
14 of the net receipts attributable to the liquor excise tax shall
15 be made to the drug court fund.

16 D. A distribution pursuant to Section 7-1-6.1 NMSA
17 1978 in an amount equal to forty-nine and one-half percent of
18 the net receipts attributable to the liquor excise tax shall be
19 made to the domestic violence victims fund."

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

22 "7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX.--

23 A. There is imposed on a wholesaler who sells
24 alcoholic beverages on which the tax imposed by this section
25 has not been paid an excise tax, to be referred to as the

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1 "liquor excise tax", at the following rates on alcoholic
2 beverages sold:

3 (1) on spirituous liquors, except as provided
4 in Paragraph (9) of this subsection, [~~one dollar sixty cents~~
5 ~~(\$1.60) per liter~~] eight cents (\$.08) per one-and-one-half-
6 ounce serving;

7 (2) on beer, except as provided in Paragraph
8 (5) of this subsection, [~~forty-one cents (\$.41) per gallon~~]
9 four cents (\$.04) per twelve-ounce serving;

10 (3) on wine, except as provided in Paragraphs
11 (4) and (6) of this subsection, [~~forty-five cents (\$.45) per~~
12 ~~liter~~] seven cents (\$.07) per five-ounce serving;

13 (4) on fortified wine, [~~one dollar fifty cents~~
14 ~~(\$1.50) per liter~~] sixteen cents (\$.16) per three-and-one-half-
15 ounce serving;

16 (5) on beer manufactured or produced by a
17 microbrewer and sold in this state, provided that proof is
18 furnished to the department that the beer was manufactured or
19 produced by a microbrewer, [~~eight cents (\$.08) per gallon on~~]
20 one cent (\$.01) per twelve-ounce serving for the first thirty
21 thousand barrels sold, [~~twenty-eight cents (\$.28) per gallon~~]
22 three cents (\$.03) per twelve-ounce serving for all barrels
23 sold over thirty thousand barrels but less than sixty thousand
24 barrels and [~~forty-one cents (\$.41)] four cents (\$.04) per~~
25 twelve-ounce serving per gallon for sixty thousand or more

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1 barrels sold;

2 (6) on wine manufactured or produced by a
3 small winegrower and sold in this state, provided that proof is
4 furnished to the department that the wine was manufactured or
5 produced by a small winegrower:

6 (a) [~~ten cents (\$.10) per liter on~~] two
7 cents (\$.02) per five-ounce serving for the first eighty
8 thousand liters sold;

9 (b) [~~twenty cents (\$.20) per liter on~~]
10 three cents (\$.03) per five-ounce serving for each liter sold
11 over eighty thousand liters but not over nine hundred fifty
12 thousand liters; and

13 (c) [~~thirty cents (\$.30) per liter on~~]
14 five cents (\$.05) per five-ounce serving for each liter sold
15 over nine hundred fifty thousand liters but not over one
16 million five hundred thousand liters;

17 (7) on cider, except as provided in Paragraph
18 (8) of this subsection, [~~forty-one cents (\$.41) per gallon~~]
19 four cents (\$.04) per twelve-ounce serving;

20 (8) on cider manufactured or produced by a
21 small winegrower and sold in this state, provided that proof is
22 furnished to the department that the cider was manufactured or
23 produced by a small winegrower, [~~eight cents (\$.08) per gallon~~
24 ~~on~~] one cent (\$.01) per twelve-ounce serving for the first
25 thirty thousand barrels sold, [~~twenty-eight cents (\$.28) per~~

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1 ~~gallon]~~ three cents (\$.03) per twelve-ounce serving for all
2 barrels sold over thirty thousand barrels but less than sixty
3 thousand barrels and ~~[forty-one cents (\$.41) per gallon]~~ four
4 cents (\$.04) per twelve-ounce serving for sixty thousand or
5 more barrels sold; and

6 (9) on spirituous liquors manufactured or
7 produced by a craft distiller licensed pursuant to Section
8 60-6A-6.1 NMSA 1978, provided that proof is provided to the
9 department that the spirituous liquors were manufactured or
10 produced by a craft distiller, for products up to ten percent
11 alcohol by volume, ~~[eight cents (\$.08) per liter]~~ one cent
12 (\$.01) per one-and-one-half-ounce serving for the first two
13 hundred fifty thousand liters sold and ~~[twenty-eight cents~~
14 ~~(\$.28) per liter]~~ two cents (\$.02) per one-and-one-half-ounce
15 serving for the next two hundred fifty thousand liters sold and
16 for products over ten percent alcohol by volume, ~~[thirty-two~~
17 ~~cents (\$.32) per liter on]~~ two cents (\$.02) per one-and-one-
18 half-ounce serving for the first one hundred seventy-five
19 thousand liters sold and ~~[sixty-five cents (\$.65) per liter on]~~
20 three cents (\$.03) per one-and-one-half-ounce serving for the
21 next two hundred thousand liters sold.

22 B. The volume of wine transferred from one
23 winegrower to another winegrower for processing, bottling or
24 storage and subsequent return to the transferor shall be
25 excluded pursuant to Section 7-17-6 NMSA 1978 from the taxable

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1 volume of wine of the transferee. Wine transferred from an
2 initial winegrower to a second winegrower remains a tax
3 liability of the transferor, provided that if the wine is
4 transferred to the transferee for the transferee's use or for
5 resale, the transferee then assumes the liability for the tax
6 due pursuant to this section.

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

11 SECTION 3. [NEW MATERIAL] DOMESTIC VIOLENCE VICTIMS
12 FUND.--The "domestic violence victims fund" is created as a
13 reverting fund in the state treasury. The fund consists of
14 appropriations, donations, interest from investment of the fund
15 and other money transferred or distributed to the fund. The
16 fund shall be administered by the human services department,
17 and money in the fund is subject to appropriation by the
18 legislature for purposes of contracting with organizations to
19 provide assistance services to victims of domestic violence and
20 their family members, including pets. Disbursements from the
21 fund shall be made by warrant of the secretary of finance and
22 administration pursuant to vouchers signed by the secretary of
23 human services or the secretary's designee. Any unexpended or
24 unencumbered balance remaining in the fund at the end of a
25 fiscal year shall revert to the general fund."

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1 SECTION 4. Section 7-24-9 NMSA 1978 (being Laws 1989,
2 Chapter 326, Section 2) is amended to read:

3 "7-24-9. DEFINITIONS.--As used in the Local Liquor Excise
4 Tax Act:

5 A. "alcoholic beverages" means distilled or
6 rectified spirits, potable alcohol, brandy, whiskey, rum, gin
7 and aromatic bitters or any similar alcoholic beverage,
8 including blended or fermented beverages, dilutions or mixtures
9 of one or more of the foregoing containing more than one-half
10 [~~of one~~] percent alcohol, but excluding medicinal bitters;

11 ~~[B. "county" means a class B county having a~~
12 ~~population of more than fifty-six thousand but less than~~
13 ~~seventy-five thousand, according to the most recent federal~~
14 ~~decennial census or any subsequent decennial census, and having~~
15 ~~a net taxable value for rate-setting purposes for the 1988 or~~
16 ~~any subsequent property tax year of more than five hundred~~
17 ~~million dollars (\$500,000,000) but less than seven hundred~~
18 ~~million dollars (\$700,000,000);~~

19 ~~G.]~~ B. "department" means the taxation and revenue
20 department, the secretary of taxation and revenue or any
21 employee of the department exercising authority lawfully
22 delegated to that employee by the secretary;

23 ~~[D.]~~ C. "governing body" means the board of county
24 commissioners of a county;

25 ~~[E.]~~ D. "person" means any individual, estate,

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1 trust, receiver, cooperative association, club, corporation,
2 company, firm, partnership, joint venture, syndicate or other
3 association; "person" also means, to the extent permitted by
4 law, any federal, state or other governmental unit or
5 subdivision or agency, department or instrumentality thereof;

6 ~~[F.]~~ E. "price" means the total amount of money or
7 the reasonable value of other consideration or both paid for
8 alcoholic beverages, inclusive of the amount of any tax paid
9 pursuant to the Liquor Excise Tax Act; and

10 ~~[G.]~~ F. "retailer" means any person having a place
11 of business within the county who sells, offers for sale or
12 possesses for the purpose of selling alcoholic beverages within
13 the county."

14 SECTION 5. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2023.