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HOUSE BILL 72

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

MURRAY RYAN

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; IMPOSING THE LIQUOR EXCISE TAX ON
ALCOHOLIC CIDER.

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

Section 1. Section 7-17-2 NMSA 1978 (being Laws 1966,
Chapter 49, Section 2, as amended by Laws 1995, Chapter 70,
Section 18 and also by Laws 1995, Chapter 74, Section 1) is
amended to read:

"7-17-2. DEFINITIONS. --As used in the Liquor Excise Tax
Act:

A. "alcoholic beverages" means distilled or
rectified spirits, potable alcohol, brandy, whiskey, rum, gin
and aromatic bitters or any similar alcoholic beverage,
including blended or fermented beverages, dilutions or mixtures
of one or more of the foregoing containing more than one-half of

1 one percent alcohol, but excluding medicinal bitters:

2 (1) "spirituous liquors" means alcoholic
3 beverages except fermented beverages such as wine, beer, cider
4 and ale;

5 (2) "beer" means any alcoholic beverage
6 obtained by the fermentation of any infusion or decoction of
7 barley, malt and hops or other cereals in water and includes
8 porter, beer, ale and stout;

9 (3) "cider" means an alcoholic beverage made
10 from the normal alcoholic fermentation of the juice of sound,
11 ripe apples that contains not less than one-half of one percent
12 of alcohol by volume and not more than seven percent of alcohol
13 by volume;

14 [~~3~~] (4) "fortified wine" means wine
15 containing more than fourteen percent alcohol by volume when
16 bottled or packaged by the manufacturer, but does not include:

17 (a) wine that is sealed or capped by cork
18 closure and aged two years or more;

19 (b) wine that contains more than fourteen
20 percent alcohol by volume solely as a result of the natural
21 fermentation process and has not been produced with the addition
22 of wine spirits, brandy or alcohol; or

23 (c) vermouth and sherry; and

24 [~~4~~] (5) "wine" includes the words "fruit
25 juices" and means alcoholic beverages other than cider obtained

1 by the fermentation of the natural sugar contained in fruit or
2 other agricultural products, with or without the addition of
3 sugar or other products, that do not contain less than one-half
4 of one percent nor more than twenty-one percent alcohol by
5 volume;

6 B. "department" means the taxation and revenue
7 department, the secretary of taxation and revenue or any
8 employee of the department exercising authority lawfully
9 delegated to that employee by the secretary;

10 C. "micro brewer" means any person who produces less
11 than five thousand barrels of beer in a year;

12 D. "person" means any individual, estate, trust,
13 receiver, cooperative association, club, corporation, company,
14 firm, partnership, joint venture, syndicate or other
15 association; "person" also means, to the extent permitted by
16 law, any federal, state or other governmental unit or
17 subdivision or agency, department or instrumentality thereof;

18 E. "small winer or winegrower" means any person who
19 produces less than two hundred twenty thousand liters of wine in
20 a year; and

21 F. "wholesaler" means any person holding a license
22 issued under Section 60-6A-1 NMSA 1978 or any person selling
23 alcoholic beverages that were not purchased from a person
24 holding a license issued under Section 60-6A-1 NMSA 1978. "

25 Section 2. Section 7-17-5 NMSA 1978 (being Laws 1993,

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1 Chapter 65, Section 8, as amended) is amended to read:

2 "7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX. -- There
3 is imposed on any wholesaler who sells alcoholic beverages on
4 which the tax imposed by this section has not been paid an
5 excise tax, to be referred to as the "liquor excise tax", at the
6 following rates on alcoholic beverages sold:

7 A. on spirituous liquors, one dollar sixty cents
8 (\$1.60) per liter;

9 B. on beer, except as provided in Subsection E of
10 this section, forty-one cents (\$.41) per gallon;

11 C. on wine, except as provided in Subsections D and
12 F of this section, forty-five cents (\$.45) per liter;

13 D. on fortified wine, one dollar fifty cents (\$1.50)
14 per liter;

15 E. on beer manufactured or produced by a micro
16 brewer and sold in this state, provided that proof is furnished
17 to the department that the beer was manufactured or produced by
18 a micro brewer, twenty-five cents (\$.25) per gallon; ~~and~~

19 F. on wine manufactured or produced by a small winer
20 or winegrower and sold in this state, provided that proof is
21 furnished to the department that the wine was manufactured or
22 produced by a small winer or winegrower, ten cents (\$.10) per
23 liter on the first eighty thousand liters sold and twenty cents
24 (\$.20) per liter on all liters sold over eighty thousand but
25 less than two hundred twenty thousand; and

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G. on cider, forty-one cents (\$.41) per gallon. "

Section 3. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 1996.

- 5 -

State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996

January 31, 1996

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred

HOUSE BILL 72

has had it under consideration and reports same with
recommendation that it DO PASS, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.

Respectfully submitted,

Jerry W. Sandel, Chairman

FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

1 HTRC/HB 72

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2 Adopted _____ Not Adopted _____

3
4 (Chief Clerk) (Chief Clerk)

5
6 Date _____

7
8 The roll call vote was 12 For 1 Against

9 Yes: 12

10 No: Lovejoy

11 Excused: None

12 Absent: None

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

February 7, 1996

Mr. President:

Your WAYS AND MEANS COMMITTEE, to whom has been
referred

HOUSE BILL 72

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

TITO D. CHAVEZ, Chairman

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

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HTRC/HB 72

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Campos, Riley, Wiener

Absent: None

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