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SENATE BILL 138

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

DEDE FELDMAN

FOR THE HEALTH AND WELFARE REFORM COMMITTEE

AN ACT

RELATING TO TAXATION; INCREASING THE RATE OF THE CIGARETTE TAX
AND THE TOBACCO PRODUCTS TAX; DISTRIBUTING ADDITIONAL REVENUES
FOR SUPPORT OF CERTAIN MEDICAID CLIENTS; MAKING AN
APPROPRIATION.

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

Section 1. A new section of the Public Assistance Act is
enacted to read:

" NEW MATERIAL FUND CREATED-- PURPOSE-- ADMINISTRATION--
APPROPRIATION.--The "medicaid services fund" is created in the
state treasury. The fund consists of cigarette tax revenue as
distributed pursuant to Section 7-1-6.11 NMSA 1978 and tobacco
products tax revenue as distributed pursuant to the Tax
Administration Act. The fund shall be administered by the
human services department. Money in the fund shall be

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1 appropriated by the legislature to the department to provide
2 medical services to those medicaid clients who were eligible
3 for services as of July 1, 1997 in part due to their income
4 being no more than one hundred eighty-five percent of the
5 federal poverty level. Money in the fund shall not revert at
6 the end of any fiscal year. "

7 Section 2. Section 7-1-6.11 NMSA 1978 (being Laws 1983,
8 Chapter 211, Section 16, as amended) is amended to read:

9 "7-1-6.11. DISTRIBUTIONS OF CIGARETTE TAXES. --

10 A. A distribution pursuant to Section 7-1-6.1 NMSA
11 1978 shall be made to the county and municipality recreational
12 fund in an amount equal to [~~four and three-quarters~~] two and
13 three-fourths percent of the net receipts, exclusive of
14 penalties and interest, attributable to the cigarette tax.

15 B. A distribution pursuant to Section 7-1-6.1 NMSA
16 1978 shall be made to the county and municipal cigarette tax
17 fund in an amount equal to [~~nine and one-half~~] five and one-
18 half percent of the net receipts, exclusive of penalties and
19 interest, attributable to the cigarette tax.

20 C. A distribution pursuant to Section 7-1-6.1 NMSA
21 1978 shall be made to the cancer center at the university of
22 New Mexico school of medicine in an amount equal to [~~four and~~
23 ~~three-quarters~~] two and three-fourths percent of the net
24 receipts, exclusive of penalties and interest, attributable to
25 the cigarette tax.

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1 D. A distribution pursuant to Section 7-1-6.1 NMSA
2 1978 shall be made to the New Mexico finance authority in an
3 amount equal to [~~seven and one-eighth~~] four and one-eighth
4 percent of the net receipts, exclusive of penalties and
5 interest, attributable to the cigarette tax.

6 E. A distribution pursuant to Section 7-1-6.1 NMSA
7 1978 shall be made to the medicaid services fund in an amount
8 equal to forty-two and eleven-hundredths percent of the net
9 receipts, exclusive of penalties and interest, attributable to
10 the cigarette tax. "

11 Section 3. A new section of the Tax Administration Act
12 is enacted to read:

13 "[NEW MATERIAL] TOBACCO PRODUCTS TAX--DISTRIBUTION. -- A
14 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
15 made to the medicaid services fund in an amount equal to
16 fifty-six percent of the net receipts, exclusive of penalties
17 and interest, attributable to the tobacco products tax. "

18 Section 4. Section 7-12-3 NMSA 1978 (being Laws 1971,
19 Chapter 77, Section 3, as amended) is amended to read:

20 "7-12-3. EXCISE TAX ON CIGARETTES--RATES. --

21 A. For the privilege of selling, giving or
22 consuming cigarettes in New Mexico, there is levied an excise
23 tax at the rate of [~~one and five-hundredths cents (\$.0105)~~]
24 one and nine-tenths cents (\$.019) for each cigarette sold,
25 given or consumed in this state.

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

Section 5. Section 7-12A-3 NMSA 1978 (being Laws 1986, Chapter 112, Section 4, as amended) is amended to read:

"7-12A-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS "TOBACCO PRODUCTS TAX"--DATE PAYMENT OF TAX DUE.--

A. For the manufacture or acquisition of tobacco products in New Mexico for sale in the ordinary course of business, there is imposed an excise tax at the rate of ~~[twenty-five]~~ forty-five percent of the product value of the tobacco products.

B. The tax imposed by Subsection A of this section may be referred to as the "tobacco products tax".

C. The tobacco products tax shall be paid by the first purchaser on or before the twenty-fifth day of the month following the month in which the taxable event occurs. "

Section 6. EFFECTIVE DATES.--

A. The effective date of the provisions of Sections 2 and 3 of this act is August 1, 1998.

B. The effective date of the provisions of Sections 1, 4 and 5 of this act is July 1, 1998.

1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

3
4
5
6 January 29, 1998

7
8 Mr. President:

9
10 Your COMMITTEES' COMMITTEE, to whom has been referred

11
12 SENATE BILL 138

13
14 has had it under consideration and finds same to be GERMANE, in
15 accordance with constitutional provisions, and thence referred to the
16 PUBLIC AFFAIRS COMMITTEE.

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19 Respectfully submitted,

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25 Manny M. Aragon, Chairman

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(Chief Clerk)

(Chief Clerk)

Date _____

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