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HOUSE BILL

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

DISCUSSION DRAFT

FOR THE MILITARY AND VETERANS' AFFAIRS COMMITTEE AND
THE INDIAN AFFAIRS COMMITTEE

AN ACT

RELATING TO THE NATIVE AMERICAN VETERANS' INCOME TAX SETTLEMENT
FUND; REMOVING THE TIME LIMIT FOR FILING AN APPLICATION FOR A
SETTLEMENT CLAIM; MAKING AN APPROPRIATION.

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

SECTION 1. Section 7-2H-3 NMSA 1978 (being Laws 2008,
Chapter 89, Section 3, as amended) is amended to read:

"7-2H-3. NATIVE AMERICAN VETERANS' INCOME TAX SETTLEMENT
FUND--CREATED--PURPOSE--APPROPRIATIONS.--

A. The "Native American veterans' income tax
settlement fund" is created as a nonreverting fund in the state
treasury and shall be administered by the taxation and revenue
department. The fund shall consist of money that is
appropriated or donated or that otherwise accrues to the fund.

B. The taxation and revenue department shall

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1 establish procedures and adopt rules as required to administer
2 the fund and to make settlement payments from the fund as
3 approved by the secretary of taxation and revenue.

4 C. Money in the fund is appropriated to the
5 taxation and revenue department to make settlement payments to
6 Native American veterans who were domiciled within the
7 boundaries of their tribal lands or their spouse's tribal lands
8 during the period of their active military duty and had state
9 personal income taxes withheld from their military income, or
10 to their heirs pursuant to applicable law. Settlement payments
11 shall include the amount of state personal income taxes
12 withheld from eligible Native American veterans that have not
13 been previously refunded to the veterans and interest on the
14 amount withheld from the date of withholding computed on a
15 daily basis at the rate specified for individuals pursuant to
16 Section 6621 of the Internal Revenue Code of 1986. No
17 settlement payments shall be made for any taxable year for
18 which a refund claim may be timely filed with the taxation and
19 revenue department [~~or for which an application for settlement~~
20 ~~is received after December 31, 2012~~]. Money shall be disbursed
21 from the fund only on warrant of the secretary of finance and
22 administration upon vouchers signed by the secretary of
23 taxation and revenue or the secretary's authorized
24 representative. Any unexpended or unencumbered balance
25 remaining in the fund at the end of a fiscal year shall not

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1 revert to the general fund.

2 D. Beginning in fiscal year 2010 and in subsequent
3 fiscal years, not more than five percent of the fund is
4 appropriated from the fund to the taxation and revenue
5 department for expenditure in the fiscal year in which it is
6 appropriated to administer the fund. Any unexpended or
7 unencumbered balance remaining at the end of any fiscal year
8 shall revert to the Native American veterans' income tax
9 settlement fund.

10 E. Beginning in fiscal year 2010 and in subsequent
11 fiscal years, not more than five percent of the fund is
12 appropriated from the fund to the veterans' services department
13 for expenditure in the fiscal year in which it is appropriated
14 to assist in outreach and public relations and in determining
15 eligibility for settlement payments. Any unexpended or
16 unencumbered balance remaining at the end of any fiscal year
17 shall revert to the Native American veterans' income tax
18 settlement fund."

19 SECTION 2. APPROPRIATION.--Four hundred thousand dollars
20 (\$400,000) is appropriated from the general fund to the Native
21 American veterans' income tax settlement fund for expenditure
22 in fiscal year 2018 and subsequent fiscal years to refund to
23 Native American veterans any state personal income taxes that
24 were withheld from military income while they were domiciled
25 within the boundaries of their tribal lands or their spouse's

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1 tribal lands during the period of their active military duty.
2 Any unexpended or unencumbered balance remaining at the end of
3 a fiscal year shall not revert to the general fund.