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HOUSE BILL 285

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

Stephanie Garcia Richard

AN ACT

RELATING TO TAXATION; AMENDING THE LIQUOR EXCISE TAX ACT TO
PROVIDE A TAX RATE DIFFERENTIAL FOR SPIRITUOUS LIQUOR
MANUFACTURED OR PRODUCED BY A CRAFT DISTILLER.

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

SECTION 1. Section 7-17-5 NMSA 1978 (being Laws 1993,
Chapter 65, Section 8, as amended by Laws 2013, Chapter 94,
Section 2 and by Laws 2013, Chapter 95, Section 2) is amended
to read:

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

A. There is imposed on a wholesaler who sells
alcoholic beverages on which the tax imposed by this section
has not been paid an excise tax, to be referred to as the
"liquor excise tax", at the following rates on alcoholic
beverages sold:

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1 (1) on spirituous liquors, except as provided
2 in Paragraph (8) of this subsection, one dollar sixty cents
3 (\$1.60) per liter;

4 (2) on beer, except as provided in Paragraph
5 (5) of this subsection, forty-one cents (\$.41) per gallon;

6 (3) on wine, except as provided in Paragraphs
7 (4) and (6) of this subsection, forty-five cents (\$.45) per
8 liter;

9 (4) on fortified wine, one dollar fifty cents
10 (\$1.50) per liter;

11 (5) on beer manufactured or produced by a
12 microbrewer and sold in this state, provided that proof is
13 furnished to the department that the beer was manufactured or
14 produced by a microbrewer, eight cents (\$.08) per gallon on the
15 first ten thousand barrels sold and twenty-eight cents (\$.28)
16 per gallon for all barrels sold over ten thousand barrels but
17 [~~fewer~~] less than fifteen thousand barrels;

18 (6) on wine manufactured or produced by a
19 small winegrower and sold in this state, provided that proof is
20 furnished to the department that the wine was manufactured or
21 produced by a small winegrower:

22 (a) ten cents (\$.10) per liter on the
23 first eighty thousand liters sold;

24 (b) twenty cents (\$.20) per liter on
25 each liter sold over eighty thousand liters but not over nine

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1 hundred fifty thousand liters; and

2 (c) thirty cents (\$.30) per liter on
3 each liter sold over nine hundred fifty thousand liters but not
4 over one million five hundred thousand liters; ~~and~~

5 (7) on cider, forty-one cents (\$.41) per
6 gallon; and

7 (8) on spirituous liquor manufactured or
8 produced by a craft distiller licensed pursuant to Section
9 60-6A-6.1 NMSA 1978 and sold in this state, provided that proof
10 is provided to the department that the spirituous liquor was
11 manufactured or produced by a craft distiller, thirty-two cents
12 (\$.32) per liter on the first three hundred seventy-five
13 thousand liters sold.

14 B. The volume of wine transferred from one
15 winegrower to another winegrower for processing, bottling or
16 storage and subsequent return to the transferor shall be
17 excluded pursuant to Section 7-17-6 NMSA 1978 from the taxable
18 volume of wine of the transferee. Wine transferred from an
19 initial winegrower to a second winegrower remains a tax
20 liability of the transferor, provided that if the wine is
21 transferred to the transferee for the transferee's use or for
22 resale, the transferee then assumes the liability for the tax
23 due pursuant to this section.

24 C. A transfer of wine from a winegrower to a
25 wholesaler for distribution of the wine transfers the liability

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underscoring material = new
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1 for payment of the liquor excise tax to the wholesaler upon the
2 sale of the wine by the wholesaler."

3 SECTION 2. EFFECTIVE DATE.--The effective date of the
4 provisions of this act is July 1, 2018.