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AN ACT

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

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

C. Money in the fund is appropriated to the  
taxation and revenue department to make settlement payments  
to Native American veterans who were domiciled within the  
boundaries of their tribal lands or their spouse's tribal  
lands during the period of their active military duty and had

1 state personal income taxes withheld from their military  
2 income, or to their heirs pursuant to applicable law.  
3 Settlement payments shall include the amount of state  
4 personal income taxes withheld from eligible Native American  
5 veterans that have not been previously refunded to the  
6 veterans and interest on the amount withheld from the date of  
7 withholding computed on a daily basis at the rate specified  
8 for individuals pursuant to Section 6621 of the Internal  
9 Revenue Code of 1986. No settlement payments shall be made  
10 for any taxable year for which a refund claim may be timely  
11 filed with the taxation and revenue department. Money shall  
12 be disbursed from the fund only on warrant of the secretary  
13 of finance and administration upon vouchers signed by the  
14 secretary of taxation and revenue or the secretary's  
15 authorized representative. Any unexpended or unencumbered  
16 balance remaining in the fund at the end of a fiscal year  
17 shall not revert to the general fund.

18 D. Beginning in fiscal year 2010 and in subsequent  
19 fiscal years, not more than five percent of the fund is  
20 appropriated from the fund to the taxation and revenue  
21 department for expenditure in the fiscal year in which it is  
22 appropriated to administer the fund. Any unexpended or  
23 unencumbered balance remaining at the end of any fiscal year  
24 shall revert to the Native American veterans' income tax  
25 settlement fund.

1           E. Beginning in fiscal year 2010 and in subsequent  
2 fiscal years, not more than five percent of the fund is  
3 appropriated from the fund to the veterans' services  
4 department for expenditure in the fiscal year in which it is  
5 appropriated to assist in outreach and public relations and in  
6 determining eligibility for settlement payments. Any  
7 unexpended or unencumbered balance remaining at the end of any  
8 fiscal year shall revert to the Native American veterans'  
9 income tax settlement fund."

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