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_____ BILL

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; APPLYING THE PROVISIONS OF THE TAX
ADMINISTRATION ACT TO THE INSURANCE PREMIUM TAX ACT; AMENDING,
REPEALING AND ENACTING SECTIONS OF THE NMSA.

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

SECTION 1. Section 7-1-2 NMSA 1978 (being Laws 1965,
Chapter 248, Section 2, as amended) is amended to read:

"7-1-2. **APPLICABILITY.**--The Tax Administration Act
applies to and governs:

A. the administration and enforcement of the
following taxes or tax acts as they now exist or may hereafter
be amended:

- (1) Income Tax Act;
- (2) Withholding Tax Act;
- (3) Venture Capital Investment Act;

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- 1 (4) Gross Receipts and Compensating Tax Act
- 2 and any state gross receipts tax;
- 3 (5) Liquor Excise Tax Act;
- 4 (6) Local Liquor Excise Tax Act;
- 5 (7) any municipal local option gross receipts
- 6 tax;
- 7 (8) any county local option gross receipts
- 8 tax;
- 9 (9) Special Fuels Supplier Tax Act;
- 10 (10) Gasoline Tax Act;
- 11 (11) petroleum products loading fee, which fee
- 12 shall be considered a tax for the purpose of the Tax
- 13 Administration Act;
- 14 (12) Alternative Fuel Tax Act;
- 15 (13) Cigarette Tax Act;
- 16 (14) Estate Tax Act;
- 17 (15) Railroad Car Company Tax Act;
- 18 (16) Investment Credit Act, rural job tax
- 19 credit, Laboratory Partnership with Small Business Tax Credit
- 20 Act, Technology Jobs and Research and Development Tax Credit
- 21 Act, Film Production Tax Credit Act, Affordable Housing Tax
- 22 Credit Act and high-wage jobs tax credit;
- 23 (17) Corporate Income and Franchise Tax Act;
- 24 (18) Uniform Division of Income for Tax
- 25 Purposes Act;

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1 (19) Multistate Tax Compact;
2 (20) Tobacco Products Tax Act; ~~and~~
3 (21) the telecommunications relay service
4 surcharge imposed by Section 63-9F-11 NMSA 1978, which
5 surcharge shall be considered a tax for the purposes of the Tax
6 Administration Act; and

7 (22) the Insurance Premium Tax Act;

8 B. the administration and enforcement of the
9 following taxes, surtaxes, advanced payments or tax acts as
10 they now exist or may hereafter be amended:

11 (1) Resources Excise Tax Act;
12 (2) Severance Tax Act;
13 (3) any severance surtax;
14 (4) Oil and Gas Severance Tax Act;
15 (5) Oil and Gas Conservation Tax Act;
16 (6) Oil and Gas Emergency School Tax Act;
17 (7) Oil and Gas Ad Valorem Production Tax Act;
18 (8) Natural Gas Processors Tax Act;
19 (9) Oil and Gas Production Equipment Ad
20 Valorem Tax Act;

21 (10) Copper Production Ad Valorem Tax Act;

22 (11) any advance payment required to be made
23 by any act specified in this subsection, which advance payment
24 shall be considered a tax for the purposes of the Tax
25 Administration Act;

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1 (12) Enhanced Oil Recovery Act;

2 (13) Natural Gas and Crude Oil Production

3 Incentive Act; and

4 (14) intergovernmental production tax credit
5 and intergovernmental production equipment tax credit;

6 C. the administration and enforcement of the
7 following taxes, surcharges, fees or acts as they now exist or
8 may hereafter be amended:

9 (1) Weight Distance Tax Act;

10 (2) the workers' compensation fee authorized
11 by Section 52-5-19 NMSA 1978, which fee shall be considered a
12 tax for purposes of the Tax Administration Act;

13 (3) Uniform Unclaimed Property Act (1995);

14 (4) 911 emergency surcharge and the network
15 and database surcharge, which surcharges shall be considered
16 taxes for purposes of the Tax Administration Act;

17 (5) the solid waste assessment fee authorized
18 by the Solid Waste Act, which fee shall be considered a tax for
19 purposes of the Tax Administration Act;

20 (6) the water conservation fee imposed by
21 Section 74-1-13 NMSA 1978, which fee shall be considered a tax
22 for the purposes of the Tax Administration Act; and

23 (7) the gaming tax imposed pursuant to the
24 Gaming Control Act; and

25 D. the administration and enforcement of all other

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1 laws, with respect to which the department is charged with
2 responsibilities pursuant to the Tax Administration Act, but
3 only to the extent that the other laws do not conflict with the
4 Tax Administration Act."

5 SECTION 2. A new section of the Tax Administration Act is
6 enacted to read:

7 "[NEW MATERIAL] DISTRIBUTION--PREMIUM TAX.--

8 A. A distribution pursuant to Section 7-1-6.1 NMSA
9 1978 shall be made to the law enforcement protection fund in an
10 amount equal to ten percent of the net receipts attributable to
11 the premium tax from life, general casualty and title insurance
12 business.

13 B. A distribution pursuant to Section 7-1-6.1 NMSA
14 1978 shall be made to the fire protection fund of the net
15 receipts attributable to the premium tax derived from property
16 and vehicle insurance business."

17 SECTION 3. A new section of the New Mexico Insurance Code
18 is enacted to read:

19 "[NEW MATERIAL] SUPERINTENDENT SHALL PROVIDE INFORMATION
20 TO THE TAXATION AND REVENUE DEPARTMENT NECESSARY TO ADMINISTER
21 THE INSURANCE PREMIUM TAX ACT.--The superintendent shall
22 provide to the taxation and revenue department information
23 regarding an insurer or plan subject to the Insurance Premium
24 Tax Act that is necessary to that department to administer the
25 provisions of the Insurance Premium Tax Act."

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SECTION 4. REPEAL.--Sections 7-40-8 and 7-40-9 NMSA 1978
(being Laws 2018, Chapter 57, Sections 8 and 9) are repealed.

SECTION 5. EFFECTIVE DATE.--The effective date of the
provisions of Sections 1 through 3 of this act is January 1,
2020.