HOUSE JOINT MEMORIAL 16

44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2000

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THE INTERIM REVENUE STABILIZATION AND TAX POLICY
COMMITTEE TO EXAMINE ALTERNATIVE METHODS OF TAXING SALES OF
ELECTRICITY THAT WILL PROTECT STATE AND LOCAL REVENUES AND
RECOMMEND LEGISLATION TO THE FIRST SESSION OF THE FORTY-FIFTH
LEGISLATURE.

WHEREAS, restructuring of the electric industry in New
Mexico is mandated by the Electric Utility Restructuring Act
of 1999, and competition will commence on January 1, 2001;
and

WHEREAS, electricity providers located outside the
borders of New Mexico are expected to compete with in-state
utilities for customers in a competitive market; and

WHEREAS, it is not certain whether the gross receipts
tax can be imposed on electricity sales outside the state and
whether local governments in New Mexico may apply franchise

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1   fees and local option gross receipts taxes to those sales;

2   and

3   WHEREAS, there is additional concern about loss of state

4   and local revenues as a result of declining prices for

5   electricity; and

6   WHEREAS, other states that have adopted electric utility

7   restructuring have adopted or are examining alternative

8   approaches to protecting their revenue sources, including

9   taxation based on consumption;

10   NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE

11 STATE OF NEW MEXICO that it request the interim revenue

12 stabilization and tax policy committee to examine alternative

13 methods of taxing electricity sales to protect New Mexico's

14 important state and local revenue sources and to report its

15 findings and recommendations for legislation to the

16 first session of the forty-fifth legislature; and

17   BE IT FURTHER RESOLVED that copies of this memorial be

18 given to the co-chairmen of the New Mexico legislative

19 council and to the chairman and vice chairman of the revenue

20 stabilization and tax policy committee.

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