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HOUSE BILL 400

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Lorenzo A. Larranaga

AN ACT

**RELATING TO TAXATION; IMPOSING A TAX ON PUNITIVE DAMAGES
AWARDS; MAKING AN APPROPRIATION.**

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

**Section 1. PUNITIVE DAMAGES AWARD--TAX IMPOSED--
ADMINISTRATION AND COLLECTION. --**

**A. There is imposed upon the recipient of any
court award for punitive damages a tax in the amount of sixty-
five percent of the award.**

**B. The tax imposed by this section may be called
the "punitive damages tax".**

**C. The punitive damages tax is due and shall be
paid on or before the fifth day of the month following the
month in which the award is received.**

D. The punitive damages tax shall be administered,

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 collected and enforced pursuant to the provisions of the Tax
2 Administration Act.

3 Section 2. A new section of the Tax Administration Act
4 is enacted to read:

5 "[NEW MATERIAL] DISTRIBUTION--CRIME VICTIMS REPARATION
6 FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978
7 shall be made to the crime victims reparation fund in an
8 amount equal to the net receipts attributable to the punitive
9 damages tax."

10 Section 3. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2001.

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