46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003 INTRODUCED BY

Cisco McSorley

SENATE BILL 717

AN ACT

RELATING TO TAXATION; INCREASING THE CIGARETTE TAX AND THE TOBACCO PRODUCTS TAX; MODIFYING DISTRIBUTIONS OF CIGARETTE TAX REVENUE.

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

Section 1. Section 7-1-6.11 NMSA 1978 (being Laws 1983, Chapter 211, Section 16, as amended) is amended to read:

"7-1-6.11. DISTRIBUTIONS OF CIGARETTE TAXES. --

A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the county and municipality recreational fund in an amount equal to [four and three-quarters] one and twenty-seven hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax.

B. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the county and municipal cigarette tax

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fund in an amount equal to [nine and one-half] two and fifty-four hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax.

- C. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the cancer <u>research and treatment</u> center at the university of New Mexico [school of medicine] <u>health</u> sciences center in an amount equal to [four and three-quarters] one and twenty-seven hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax.
- D. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the New Mexico finance authority in an amount equal to [seven and one-eighth] one and ninety hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax."
- Section 2. Section 7-12-3 NMSA 1978 (being Laws 1971, Chapter 77, Section 3, as amended) is amended to read:
 - "7-12-3. EXCISE TAX ON CIGARETTES--RATES.--
- A. For the privilege of selling, giving or consuming cigarettes in New Mexico, there is levied an excise tax at the rate of [one and five hundredths cents (\$.0105)] five cents (\$.05) for each cigarette sold, given or consumed in this state.
- B. The tax imposed by this section shall be referred to as the "cigarette tax"."

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Section 3. Section 7-12A-3 NMSA 1978 (being Laws 1986, Chapter 112, Section 4, as amended) is amended to read:

"7-12A-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
"TOBACCO PRODUCTS TAX"--DATE PAYMENT OF TAX DUE. --

- A. For the manufacture or acquisition of tobacco products in New Mexico for sale in the ordinary course of business, there is imposed an excise tax at the rate of [twenty-five] forty percent of the product value of the tobacco products.
- B. The tax imposed by Subsection A of this section may be referred to as the "tobacco products tax".
- C. The tobacco products tax shall be paid by the first purchaser on or before the twenty-fifth day of the month following the month in which the taxable event occurs."

Section 4. EFFECTIVE DATE. --

- A. The effective date of the provisions of Sections 2 and 3 of this act is July 1, 2003.
- B. The effective date of the provisions of Section1 of this act is August 1, 2003.

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