SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE SUBSTITUTE FOR
SENATE BILL 728

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

AN ACT

RELATING TO TAXATION; AMENDING A SECTION OF THE RESOURCES
EXCISE TAX ACT TO PROVIDE FOR A TAX RATE ON SEVERING COPPER.

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

Section 1. That version of Section 7-25-4 NMSA 1978
(being Laws 1999, Chapter 177, Section 2) that is to become
effective July 1, 2005 is amended to read:

"7-25-4. RATE AND MEASURE OF TAX--DENOMINATION AS
"RESOURCES TAX".--

A. For the privilege of severing natural resources,
there is imposed on [any] a severer of natural resources in New
Mexico an excise tax at the following rates on the taxable
value of the natural resources:

(1) all natural resources except copper,
potash and molybdenum, three-fourths of one percent;

.156999.2

underscored material = new
[bracketed material] = delete

1   (2)   potash, one-half of one percent; [and]

2   (3)   molybdenum, one-eighth of one percent; and

3   (4)   copper:

4   (a)   one-fourth of one percent when the

5   monthly average of the price for copper on the commodity

6   exchange of the New York mercantile exchange is below one

7   dollar ($1.00) per pound; and

8   (b)   three-fourths of one percent when

9   the monthly average of the price for copper on the commodity

10   exchange of the New York mercantile exchange is one dollar

11   ($1.00) or more per pound.

12   B.   The tax imposed by this section shall be

13   referred to as the "resources tax"."

14   Section 2.   Section 7-25-5 NMSA 1978 (being Laws 1999,

15   Chapter 177, Section 4) is amended to read:

16   "7-25-5.   RATE AND MEASURE OF TAX--DENOMINATION AS

17   "PROCESSORS TAX".--

18   A.   For the privilege of processing natural

19   resources, there is imposed on [any] a processor of natural

20   resources in New Mexico an excise tax at the following rates on

21   the taxable value of the natural resources:

22   (1)   all natural resources except timber,

23   potash, [and] molybdenum and copper, three-fourths of one

24   percent;

25   (2)   timber, three-eighths of one percent;

.156999.2

(3)   potash, one-eighth of one percent; [and]

(4)   molybdenum, one-eighth of one percent; and

(5)   copper:

(a)   one-fourth of one percent when the monthly average of the price for copper on the commodity exchange of the New York mercantile exchange is below one dollar ($1.00) per pound; and

(b)   three-fourths of one percent when the monthly average of the price for copper on the commodity exchange of the New York mercantile exchange is one dollar ($1.00) or more per pound.

B.   The tax imposed by this section shall be referred to as the "processors tax"."

Section 3.   EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2005.

- 3 -

.156999.2