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HOUSE BILL 673

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Ben Lujan

AN ACT

RELATING TO TAXATION; DEFINING "MOIST SNUFF" AND CHANGING THE MANNER IN WHICH IT IS TAXED PURSUANT TO THE TOBACCO PRODUCTS TAX ACT.

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

Section 1. Section 7-12A-2 NMSA 1978 (being Laws 1986, Chapter 112, Section 3, as amended) is amended to read:

"7-12A-2. DEFINITIONS.--As used in the Tobacco Products Tax Act:

A. "department" means the taxation and revenue department, the secretary or any employee of the department exercising authority lawfully delegated to that employee by the secretary;

B. "engaging in business" means carrying on or causing to be carried on any activity with the purpose of

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1 direct or indirect benefit;

2 C. "first purchaser" means a person engaging in
3 business in New Mexico who manufactures tobacco products or who
4 purchases or receives on consignment tobacco products from any
5 person outside of New Mexico, which tobacco products are to be
6 sold in New Mexico in the ordinary course of business;

7 D. "moist snuff" means any tobacco product
8 consisting of a moist fine-grain tobacco, whether cut, ground
9 or powdered, prepared to be placed in the oral cavity of the
10 user;

11 [~~D.~~] E. "person" means any individual, estate,
12 trust, receiver, cooperative association, club, corporation,
13 company, firm, partnership, joint venture, syndicate or other
14 entity or the state [~~of New Mexico~~] or any political
15 subdivision thereof;

16 [~~E.~~] F. "product value" means the amount paid, net
17 of any discounts taken and allowed, for tobacco products or, in
18 the case of tobacco products received on consignment, the value
19 of the tobacco products received or, in the case of tobacco
20 products manufactured and sold in New Mexico, the proceeds from
21 the sale by the manufacturer of the tobacco products; and

22 [~~F.~~] G. "tobacco product" means any product, other
23 than cigarettes, made from or containing tobacco."

24 Section 2. Section 7-12A-3 NMSA 1978 (being Laws 1986,
25 Chapter 112, Section 4, as amended) is amended to read:

.161331.1

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1 "7-12A-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
2 "TOBACCO PRODUCTS TAX"--DATE PAYMENT OF TAX DUE.--

3 A. For the manufacture or acquisition of tobacco
4 products in New Mexico for sale in the ordinary course of
5 business, there is imposed an excise tax ~~[at the rate of~~
6 ~~twenty-five percent of the product value of the tobacco~~
7 ~~products.~~

8 ~~B. The tax imposed by Subsection A of this section]~~
9 that may be referred to as the "tobacco products tax" in the
10 following manner:

11 (1) on moist snuff, the tax equals the
12 product, rounded to the nearest cent, of sixty-three cents
13 (\$0.63) per ounce multiplied by the weight, rounded to the
14 nearest hundredth of an ounce, of the moist snuff; and

15 (2) on all tobacco products other than moist
16 snuff, the tax equals twenty-five percent of the product value
17 of the tobacco products.

18 ~~[C.]~~ B. The tobacco products tax shall be paid by
19 the first purchaser on or before the twenty-fifth day of the
20 month following the month in which the taxable event occurs."

21 Section 3. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2006.