

HOUSE BILL 554

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FOR SPECIAL FUEL  
CONSISTING OF VEGETABLE OIL OR ANIMAL FAT FROM SPECIAL FUEL  
EXCISE TAX AND GROSS RECEIPTS PAID.

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

Section 1. A new section of the Gross Receipts and  
Compensating Tax Act is enacted to read:

"~~[NEW MATERIAL]~~ DEDUCTION--GROSS RECEIPTS--SPECIAL FUEL,  
DYED DIESEL.--Receipts from selling special fuel consisting of  
at least ninety-nine percent vegetable oil or animal fat may be  
deducted from gross receipts if the deduction from the special  
fuel excise tax pursuant to Section 7-16A-10 NMSA 1978 is  
claimed."

Section 2. Section 7-16A-10 NMSA 1978 (being Laws 1992,  
Chapter 51, Section 10, as amended) is amended to read:

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1 "7-16A-10. DEDUCTIONS--SPECIAL FUEL EXCISE TAX--SPECIAL  
2 FUEL SUPPLIERS.--In computing the tax due, the following  
3 amounts of special fuel may be deducted from the total amount  
4 of special fuel received in New Mexico during the tax period,  
5 provided that satisfactory proof thereof is furnished to the  
6 department:

7 A. special fuel received in New Mexico, but  
8 exported from this state by a rack operator, special fuel  
9 supplier or dealer, other than in the fuel supply tank of a  
10 motor vehicle or sold for export by a rack operator or  
11 distributor; provided that, in either case:

12 (1) the person exporting the special fuel is  
13 registered in or licensed by the destination state to pay that  
14 state's special fuel or equivalent fuel tax;

15 (2) proof is submitted that the destination  
16 state's special fuel or equivalent fuel tax has been paid or is  
17 not due with respect to the special fuel; or

18 (3) the destination state's special fuel or  
19 equivalent fuel tax is paid to New Mexico in accordance with  
20 the terms of an agreement entered into pursuant to Section  
21 9-11-12 NMSA 1978 with the destination state;

22 B. special fuel sold to the United States or any  
23 agency or instrumentality thereof for the exclusive use of the  
24 United States or any agency or instrumentality thereof.

25 Special fuel sold to the United States includes special fuel

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1 delivered into the supply tank of a government-licensed  
2 vehicle;

3 C. special fuel sold to the state of New Mexico or  
4 any political subdivision, agency or instrumentality thereof  
5 for the exclusive use of the state of New Mexico or any  
6 political subdivision, agency or instrumentality thereof.

7 Special fuel sold to the state of New Mexico includes special  
8 fuel delivered into the supply tank of a government-licensed  
9 vehicle;

10 D. special fuel sold to an Indian nation, tribe or  
11 pueblo or any agency or instrumentality thereof for the  
12 exclusive use of the Indian nation, tribe or pueblo or any  
13 agency or instrumentality thereof. Special fuel sold to an  
14 Indian nation, tribe or pueblo includes special fuel delivered  
15 into the supply tank of a government-licensed vehicle;

16 E. special fuel dyed in accordance with federal  
17 regulations;

18 F. special fuel that is number 2 diesel fuel sold  
19 for the generation of power to propel a vehicle authorized by  
20 contract with the public education department as a school bus;  
21 provided that the fuel has a distillation temperature of five  
22 hundred degrees Fahrenheit at a ten percent recovery point and  
23 six hundred forty degrees Fahrenheit at a ninety percent  
24 recovery point; ~~and~~

25 G. special fuel received in New Mexico on which New

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1 Mexico special fuel excise tax was paid by the out-of-state  
2 terminal at which the special fuel was loaded, provided that  
3 documentation that the special fuel was to be imported into New  
4 Mexico was provided to the terminal operator by the person  
5 receiving the fuel; and

6 H. special fuel received in New Mexico that  
7 consists of at least ninety-nine percent vegetable oil or  
8 animal fat; provided that the use is restricted to an auxiliary  
9 fuel system that is subject to a certificate of conformity  
10 pursuant to the federal Clean Air Act."

11 Section 3. EFFECTIVE DATE.--The effective date of the  
12 provisions of this act is July 1, 2009.