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SENATE BILL 121

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Bernadette M. Sanchez

AN ACT

RELATING TO TAXATION; INCREASING THE CIGARETTE TAX BY FIFTY CENTS PER PACK; ADJUSTING CIGARETTE STAMP DISCOUNTS; ADJUSTING CIGARETTE TAX DISTRIBUTIONS; DECLARING AN EMERGENCY.

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 ~~[one and thirty-five hundredths]~~ one and eight-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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1 fund in an amount equal to [~~two and sixty-nine hundredths~~] one
2 and eighty-five hundredths percent of the net receipts,
3 exclusive of penalties and interest, attributable to the
4 cigarette tax.

5 C. A distribution pursuant to Section 7-1-6.1 NMSA
6 1978 shall be made to the cancer research and treatment center
7 at the university of New Mexico health sciences center in an
8 amount equal to [~~one and thirty-five hundredths~~] one and eight-
9 hundredths percent of the net receipts, exclusive of penalties
10 and interest, attributable to the cigarette tax.

11 D. A distribution pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to the New Mexico finance authority in an
13 amount equal to [~~two and two hundredths~~] one and sixty-one
14 hundredths percent of the net receipts, exclusive of penalties
15 and interest, attributable to the cigarette tax.

16 E. A distribution pursuant to Section 7-1-6.1 NMSA
17 1978 in an amount equal to [~~fourteen and thirty-seven~~
18 ~~hundredths~~] eleven and forty-nine hundredths percent of the net
19 receipts, exclusive of penalties and interest, attributable to
20 the cigarette tax, shall be made, on behalf of and for the
21 benefit of the university of New Mexico health sciences center,
22 to the New Mexico finance authority.

23 F. A distribution pursuant to Section 7-1-6.1 NMSA
24 1978 in an amount equal to [~~six and five hundredths~~] four and
25 eighty-four hundredths percent of the net receipts, exclusive

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1 of penalties and interest, attributable to the cigarette tax
2 shall be made to the New Mexico finance authority for land
3 acquisition and the planning, designing, construction and
4 equipping of department of health facilities or improvements to
5 such facilities.

6 G. A distribution pursuant to Section 7-1-6.1 NMSA
7 1978 in an amount equal to [~~fifteen and seventy-nine~~
8 ~~hundredths~~] eleven and forty-nine hundredths percent of the net
9 receipts, exclusive of penalties and interest, attributable to
10 the cigarette tax shall be made to the New Mexico finance
11 authority for deposit in the credit enhancement account created
12 in the authority.

13 H. A distribution pursuant to Section 7-1-6.1 NMSA
14 1978 in an amount equal to [~~one~~] eight-tenths percent of the
15 net receipts, exclusive of penalties and interest, attributable
16 to the cigarette tax shall be made, on behalf of and for the
17 benefit of the rural county cancer treatment fund, to the New
18 Mexico finance authority."

19 Section 2. Section 7-12-3 NMSA 1978 (being Laws 1971,
20 Chapter 77, Section 3, as amended) is amended to read:

21 "7-12-3. EXCISE TAX ON CIGARETTES--RATES.--

22 A. For the privilege of selling, giving or
23 consuming cigarettes in New Mexico, there is levied an excise
24 tax at the following rates for each cigarette sold, given or
25 consumed in this state:

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1 (1) [~~four and fifty-five hundredths cents~~
2 (~~\$.0455~~)] seven and five-hundredths cents (\$.0705) if the
3 cigarettes are packaged in lots of twenty or twenty-five;

4 (2) [~~nine and ten-hundredths cents (\$.091)~~]
5 fourteen and ten-hundredths cents (\$.0141) if the cigarettes
6 are packaged in lots of ten; or

7 (3) [~~eighteen and twenty-hundredths cents~~
8 (~~\$.182~~)] twenty-eight and twenty-hundredths cents (\$.282) if
9 the cigarettes are packaged in lots of five.

10 B. The tax imposed by this section shall be
11 referred to as the "cigarette tax".

12 Section 3. Section 7-12-7 NMSA 1978 (being Laws 1971,
13 Chapter 77, Section 7, as amended by Laws 2006, Chapter 89,
14 Section 3 and by Laws 2006, Chapter 91, Section 6) is amended
15 to read:

16 "7-12-7. SALE OF STAMPS--PRICES.--

17 A. Only the department shall sell stamps. Stamps
18 may be sold by the department only to a distributor.

19 B. Stamps shall display a serial number. Stamps
20 bearing the same serial number shall not be sold to more than
21 one distributor. The department shall keep records of the
22 serial numbers of the stamps provided to each distributor.

23 C. A stamp shall be affixed to a package of
24 cigarettes in such a manner as to clearly display the serial
25 number at the point of sale.

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1 D. Tax stamps shall be sold at their face value
2 with the following discounts:

3 (1) [~~one~~] sixty-five hundredths percent less
4 than the face value of the first thirty thousand dollars
5 (\$30,000) of stamps purchased in one calendar month;

6 (2) [~~eight-tenths~~] one-half percent less than
7 the face value of the second thirty thousand dollars (\$30,000)
8 of stamps purchased in one calendar month; and

9 (3) [~~one-half~~] thirty-two hundredths percent
10 less than the face value of stamps purchased in excess of sixty
11 thousand dollars (\$60,000) in one calendar month.

12 E. If the face value of tax stamps sold in a single
13 sale is less than one thousand dollars (\$1,000), the discount
14 provided for in this section shall not be allowed.

15 F. Payment for tax stamps shall be made on or
16 before the twenty-fifth day of the month following the month in
17 which the sale of stamps by the department is made.

18 G. Tax-exempt stamps shall be provided only to
19 distributors and shall be free of charge; provided that the
20 distributor is in full compliance with the reporting
21 requirements of the Cigarette Tax Act and rules adopted
22 pursuant to that act."

23 Section 4. CONTINGENT EFFECTIVE DATE.--The effective date
24 of the provisions of this act is March 1, 2010; provided that
25 the act is adopted by a two-thirds' vote of each house. If

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1 this act is passed by both houses and is passed by less than a
2 two-thirds' vote of either house, the effective date of the
3 provisions of this act is July 1, 2010.

4 Section 5. EMERGENCY.--It is necessary for the public
5 peace, health and safety that this act take effect immediately.

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