

FIFTIETH LEGISLATURE
FIRST SESSION

March 11, 2011

SENATE FLOOR AMENDMENT number ___1___ to SENATE FINANCE COMMITTEE
SUBSTITUTE FOR SENATE
CORPORATIONS AND
TRANSPORTATION COMMITTEE
SUBSTITUTE FOR SENATE BILL
179

Amendment sponsored by Senator Stuart Ingle

1. On page 1, line 12, after "TAX", insert "; PROVIDING AN EXEMPTION FOR DYED FUEL FOR AGRICULTURAL USE".

2. On page 5, between lines 15 and 16, insert the following new sections:

"SECTION 4. A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

"[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS TAX--DYED FUEL FOR AGRICULTURAL USE.--

A. Exempt from the gross receipts tax imposed pursuant to Section 7-9-4 NMSA 1978 is fuel dyed pursuant to federal regulations for agricultural use. The amount and retail value of tax-exempt fuel sold shall be reported monthly by the taxpayer to the department.

B. The purpose of the exemption provided by this section is to encourage local agricultural production.

C. The taxpayer shall report, on a form developed by the department, information necessary to analyze the effectiveness of the exemption, determine if the exemption is being used for the purpose for which it was created and assess whether the exemption

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provided by this section is cost-effective. The department shall compile an annual report with the number of taxpayers who report on the exemption provided by this section, the amount of that exemption, the net revenue to the state as a result of that exemption and any other information required by the legislature to aid in evaluating the effectiveness of that exemption. A taxpayer who purchases dyed fuel for agricultural use shall provide the department with the information required to compile that report. The department shall present that report before the interim legislative revenue stabilization and tax policy committee and the legislative finance committee by November 1 of each year. Notwithstanding any other section of law to the contrary, the department may disclose the amount and retail value of tax-exempt fuel sold, the amount of the exemption approved and any other information required by the legislature or the department to aid in evaluating the effectiveness of that exemption.

D. An appropriate legislative committee shall review the effectiveness of the exemption provided by this section every six years beginning in 2014.

E. As used in this section, "agricultural use" means the use of fuel designed primarily for use in a source of motive power, such as a tractor, in planting, growing, cultivating, harvesting or processing agricultural produce at the place where the produce is grown; in raising poultry or livestock; or in obtaining or processing food or fiber, such as eggs, milk, wool or mohair, from living poultry or livestock at the place where the poultry or livestock are kept for this purpose."

SECTION 5. DELAYED REPEAL.--Sections 1 through 4 of this act are repealed effective July 1, 2021."

3. Renumber the succeeding sections accordingly.

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Stuart Ingle

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____