

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 264

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

AN ACT

RELATING TO TAXATION; CREATING AN ELECTRIC VEHICLE INCOME TAX
CREDIT FOR QUALIFIED ELECTRIC VEHICLES UNTIL 2018.

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

SECTION 1. A new section of the Income Tax Act is enacted
to read:

"~~[NEW MATERIAL]~~ ELECTRIC VEHICLE INCOME TAX CREDIT.--

A. Until July 1, 2018, a taxpayer who is not a
dependent of another individual and who purchases a qualified
electric vehicle is eligible for a credit against the
taxpayer's tax liability imposed pursuant to the Income Tax Act
in the amount of one thousand three hundred twenty dollars
(\$1,320). The tax credit provided by this section may be
referred to as the "electric vehicle income tax credit".

B. The purpose of the electric vehicle income tax

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1 credit is to encourage consumers to purchase qualified electric
2 vehicles that may help to decrease the presence of greenhouse
3 gas, carbon monoxide and ozone precursor emissions in the
4 environment.

5 C. Subject to the limitation in Subsection D of
6 this section, a taxpayer may claim the electric vehicle income
7 tax credit provided in this section for each taxable year in
8 which the taxpayer purchases a qualified electric vehicle.

9 D. The aggregate amount of electric vehicle income
10 tax credit claims that may be authorized for payment in any
11 fiscal year is two million dollars (\$2,000,000). The date a
12 claim for an electric vehicle income tax credit is received by
13 the department shall determine the order that a tax credit
14 claim is authorized for payment by the department.

15 E. That portion of an electric vehicle income tax
16 credit approved by the department that exceeds a taxpayer's
17 income tax liability in the taxable year in which an electric
18 vehicle income tax credit is claimed shall be refunded to the
19 taxpayer.

20 F. A husband and wife filing separate returns for a
21 taxable year for which they could have filed a joint return may
22 each claim only one-half of the electric vehicle income tax
23 credit that would have been claimed on a joint return.

24 G. A taxpayer may be allocated the right to claim
25 an electric vehicle income tax credit in proportion to the

1 taxpayer's ownership interest if the taxpayer owns an interest
2 in a business entity that is taxed for federal income tax
3 purposes as a partnership and that business entity has met all
4 of the requirements to be eligible for the credit. The total
5 credit claimed by all members of the partnership or limited
6 liability company shall not exceed the allowable credit
7 pursuant to Subsection A of this section.

8 H. A taxpayer shall submit to the department
9 information required by the department with respect to the
10 purchase of a qualified electric vehicle by the taxpayer during
11 the taxable year for which the electric vehicle income tax
12 credit is claimed.

13 I. A taxpayer allowed an electric vehicle income
14 tax credit shall report the amount of the tax credit to the
15 department in a manner required by the department.

16 J. The department shall compile an annual report on
17 the electric vehicle income tax credit that shall include the
18 number of taxpayers approved by the department to receive the
19 tax credit, the aggregate amount of tax credits approved and
20 any other information necessary to evaluate the effectiveness
21 of the tax credit. Beginning in 2017 and every five years
22 thereafter, the department shall compile and present the annual
23 reports to the revenue stabilization and tax policy committee
24 and the legislative finance committee, with an analysis of the
25 effectiveness and cost of the tax credit and of whether the tax

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1 credit is performing the purpose for which it was created.

2 K. The department shall adopt rules establishing
3 procedures to certify the purchase of a qualified electric
4 vehicle for purposes of obtaining an electric vehicle income
5 tax credit.

6 L. As used in this section, "qualified electric
7 vehicle" means a motor vehicle with four wheels that:

8 (1) is made by a manufacturer;

9 (2) is manufactured primarily for use on
10 public streets, roads or highways;

11 (3) has not been modified from the original
12 manufacturer specifications;

13 (4) is purchased by a consumer from a dealer
14 for the first time after delivery from the manufacturer to the
15 dealer;

16 (5) is rated at not less than two thousand two
17 hundred pounds unloaded base weight and not more than eight
18 thousand five hundred pounds unloaded base weight;

19 (6) has a maximum speed capability of at least
20 sixty-five miles per hour; and

21 (7) is propelled to a significant extent by an
22 electric motor that draws electricity from a battery that:

23 (a) has a capacity of not less than four
24 kilowatt-hours; and

25 (b) is capable of being recharged from

1 an external source of electricity."

2 SECTION 2. APPLICABILITY.--The provisions of this act
3 apply to taxable years beginning on or after January 1, 2013.

4 SECTION 3. EFFECTIVE DATE.--The effective date of the
5 provisions of this act is July 1, 2013.

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