

1 HOUSE BILL 136

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

3 INTRODUCED BY

4 Jim R. Trujillo

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10 AN ACT

11 RELATING TO TAXATION; CREATING THE ELECTRIC VEHICLE INCOME TAX
12 CREDIT; CREATING THE ELECTRIC VEHICLE CHARGING UNIT INCOME TAX
13 CREDIT AND THE ELECTRIC VEHICLE CHARGING UNIT CORPORATE INCOME
14 TAX CREDIT.

15
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

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

20 A. Prior to January 1, 2020, a taxpayer who is not
21 a dependent of another individual and who purchases or leases a
22 qualified electric vehicle is eligible for a credit against the
23 taxpayer's tax liability imposed pursuant to the Income Tax Act
24 in the amount of two thousand five hundred dollars (\$2,500).

25 The tax credit provided by this section may be referred to as

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1 the "electric vehicle income tax credit".

2 B. The purpose of the electric vehicle income tax
3 credit is to encourage consumers to purchase or lease qualified
4 electric vehicles that may help to decrease the presence of
5 greenhouse gas, carbon monoxide and ozone precursor emissions
6 in the environment.

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

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

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

23 F. Married individuals filing separate returns for
24 a taxable year for which they could have filed a joint return
25 may each claim only one-half of the electric vehicle income tax

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1 credit that would have been claimed on a joint return.

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

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

16 I. A taxpayer allowed an electric vehicle income
17 tax credit shall report the amount of the tax credit to the
18 department in a manner required by the department.

19 J. The department shall compile an annual report on
20 the electric vehicle income tax credit that shall include the
21 number of taxpayers approved by the department to receive the
22 tax credit, the aggregate amount of tax credits approved and
23 any other information necessary to evaluate the effectiveness
24 of the tax credit. Beginning in 2018 and every five years
25 thereafter that the tax credit is in effect, the department

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1 shall compile and present the annual reports to the revenue
2 stabilization and tax policy committee and the legislative
3 finance committee, with an analysis of the effectiveness and
4 cost of the tax credit and of whether the tax credit is
5 performing the purpose for which it was created.

6 K. The department shall adopt rules establishing
7 procedures to certify the purchase or lease of a qualified
8 electric vehicle for purposes of obtaining an electric vehicle
9 income tax credit.

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

12 (1) is made by a manufacturer;

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

15 (3) has not been modified from the original
16 manufacturer specifications;

17 (4) is purchased or leased by a consumer from
18 a dealer for the first time after delivery from the
19 manufacturer to the dealer;

20 (5) is rated at not less than two thousand two
21 hundred pounds unloaded base weight and not more than eight
22 thousand five hundred pounds unloaded base weight;

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

25 (7) is propelled to a significant extent by an

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1 electric motor that draws electricity from a battery that:

2 (a) has a capacity of not less than four
3 kilowatt-hours; and

4 (b) is capable of being recharged from
5 an external source of electricity."

6 SECTION 2. A new section of the Income Tax Act is enacted
7 to read:

8 "[NEW MATERIAL] ELECTRIC VEHICLE CHARGING UNIT INCOME TAX
9 CREDIT.--

10 A. Prior to January 1, 2020, a taxpayer who is not
11 a dependent of another individual and who purchases and
12 installs an electric vehicle charging unit that has passed
13 inspection by a state-authorized construction-permitting
14 governmental entity may apply for, and the department may
15 allow, a credit against the taxpayer's tax liability imposed
16 pursuant to the Income Tax Act. The tax credit provided by
17 this section may be referred to as the "electric vehicle
18 charging unit income tax credit".

19 B. The purpose of the electric vehicle charging
20 unit income tax credit is to encourage businesses to purchase
21 and install electric vehicle charging units to provide the
22 infrastructure necessary to support the acceptance of electric
23 vehicles that may help to decrease the presence of greenhouse
24 gas, carbon monoxide and ozone precursor emissions in the
25 environment.

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1 C. The electric vehicle charging unit income tax
2 credit shall not exceed:

3 (1) three thousand dollars (\$3,000) or thirty
4 percent of the cost to purchase and install an electric vehicle
5 charging unit, whichever is less; or

6 (2) if the electric vehicle charging unit is
7 powered primarily by solar power, five thousand dollars
8 (\$5,000) or thirty percent of the cost to purchase and install
9 the electric vehicle charging unit that is powered primarily by
10 solar power, whichever is less.

11 D. The department may allow a maximum annual
12 aggregate of one million dollars (\$1,000,000) in electric
13 vehicle charging unit income tax credits and electric vehicle
14 charging unit corporate income tax credits pursuant to Section
15 3 of this 2014 act per year. Applications for the tax credit
16 shall be considered in the order received by the department.

17 E. A taxpayer may claim an electric vehicle
18 charging unit income tax credit in the taxable year in which
19 the taxpayer purchases and installs an electric vehicle
20 charging unit. To receive an electric vehicle charging unit
21 income tax credit, a taxpayer shall submit a completed
22 application to the department on forms and in the manner
23 prescribed by the department; provided that a completed
24 application shall include:

25 (1) a receipt for the purchase of an electric

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1 vehicle charging unit;

2 (2) a copy of the data sheet that specifies
3 the connector type, plug type, voltage and current of the
4 purchased electric vehicle charging unit; and

5 (3) a final and approved electrical inspection
6 document issued by the construction industries division of the
7 regulation and licensing department or other state-authorized
8 construction-permitting governmental entity.

9 F. That portion of an electric vehicle charging
10 unit income tax credit that exceeds a taxpayer's income tax
11 liability in the taxable year in which an electric vehicle
12 charging unit income tax credit is claimed shall be refunded to
13 the taxpayer.

14 G. Married individuals filing separate returns for
15 a taxable year for which they could have filed a joint return
16 may each claim only one-half of the electric vehicle charging
17 unit income tax credit that would have been claimed on a joint
18 return.

19 H. A taxpayer may be allocated the right to claim
20 an electric vehicle charging unit income tax credit in
21 proportion to the taxpayer's ownership interest if the taxpayer
22 owns an interest in a business entity that is taxed for federal
23 income tax purposes as a partnership and that business entity
24 has met all of the requirements to be eligible for the tax
25 credit. The total tax credit claimed by all members of the

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1 partnership or limited liability company shall not exceed the
2 allowable tax credit pursuant to Subsection C of this section.

3 I. A taxpayer allowed a tax credit pursuant to this
4 section shall report the amount of the tax credit to the
5 department in a manner required by the department.

6 J. The department shall compile an annual report on
7 the electric vehicle charging unit income tax credit that shall
8 include the number of taxpayers approved by the department to
9 receive the tax credit, the aggregate amount of tax credits
10 approved and any other information necessary to evaluate the
11 effectiveness of the tax credit. Beginning in 2018 and every
12 five years thereafter that the tax credit is in effect, the
13 department shall compile and present the annual reports to the
14 revenue stabilization and tax policy committee and the
15 legislative finance committee with an analysis of the
16 effectiveness and cost of the tax credit and whether the tax
17 credit is performing the purpose for which it was created.

18 K. As used in this section, "electric vehicle
19 charging unit" means a wall-mounted or pedestal-style device
20 that:

21 (1) is used to provide electricity to an
22 electric vehicle;

23 (2) is designed to create a connection between
24 an electric grid and the electric vehicle;

25 (3) communicates with the electric vehicle's

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1 control system to ensure that electricity flows at an
2 appropriate voltage and current level; and

3 (4) is installed on nonresidential property."

4 SECTION 3. A new section of the Corporate Income and
5 Franchise Tax Act is enacted to read:

6 "[NEW MATERIAL] ELECTRIC VEHICLE CHARGING UNIT CORPORATE
7 INCOME TAX CREDIT.--

8 A. Prior to January 1, 2020, a taxpayer that files
9 a New Mexico corporate income tax return that purchases and
10 installs an electric vehicle charging unit that has passed
11 inspection by a state-authorized construction-permitting
12 governmental entity may apply for, and the department may
13 allow, a credit against the taxpayer's tax liability imposed
14 pursuant to the Corporate Income and Franchise Tax Act. The
15 tax credit provided by this section may be referred to as the
16 "electric vehicle charging unit corporate income tax credit".

17 B. The purpose of the electric vehicle charging
18 unit corporate income tax credit is to encourage businesses to
19 purchase and install electric vehicle charging units to provide
20 the infrastructure necessary to support the acceptance of
21 electric vehicles that may help to decrease the presence of
22 greenhouse gas, carbon monoxide and ozone precursor emissions
23 in the environment.

24 C. The electric vehicle charging unit corporate
25 income tax credit shall not exceed:

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1 (1) three thousand dollars (\$3,000) or thirty
2 percent of the cost to purchase and install an electric vehicle
3 charging unit, whichever is less; or

4 (2) if the electric vehicle charging unit is
5 powered primarily by solar power, five thousand dollars
6 (\$5,000) or thirty percent of the cost to purchase and install
7 the electric vehicle charging unit that is powered primarily by
8 solar power, whichever is less.

9 D. The department may allow a maximum annual
10 aggregate of one million dollars (\$1,000,000) in electric
11 vehicle charging unit corporate income tax credits and electric
12 vehicle charging unit income tax credits pursuant to Section 2
13 of this 2014 act per year. Applications for the tax credit
14 shall be considered in the order received by the department.

15 E. A taxpayer may claim an electric vehicle
16 charging unit corporate income tax credit in the taxable year
17 in which the taxpayer purchases and installs an electric
18 vehicle charging unit. To receive an electric vehicle charging
19 unit corporate income tax credit, a taxpayer shall apply to the
20 department on forms and in the manner prescribed by the
21 department; provided that a completed application shall
22 include:

23 (1) a receipt for the purchase of an electric
24 vehicle charging unit;

25 (2) a copy of the data sheet that specifies

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1 the connector type, plug type, voltage and current of the
2 purchased electric vehicle charging unit; and

3 (3) a final and approved electrical inspection
4 document issued by the construction industries division of the
5 regulation and licensing department or other state-authorized
6 construction-permitting governmental entity.

7 F. That portion of an electric vehicle charging
8 unit corporate income tax credit that exceeds a taxpayer's
9 liability, pursuant to the Corporate Income and Franchise Tax
10 Act, in the taxable year in which an electric vehicle charging
11 unit corporate income tax credit is claimed shall be refunded
12 to the taxpayer.

13 G. A taxpayer allowed a tax credit pursuant to this
14 section shall report the amount of the tax credit to the
15 department in a manner required by the department.

16 H. The department shall compile an annual report on
17 the electric vehicle charging unit corporate income tax credit
18 that shall include the number of taxpayers approved by the
19 department to receive the tax credit, the aggregate amount of
20 tax credits approved and any other information necessary to
21 evaluate the effectiveness of the tax credit. Beginning in
22 2018 and every five years thereafter that the tax credit is in
23 effect, the department shall compile and present the annual
24 reports to the revenue stabilization and tax policy committee
25 and the legislative finance committee with an analysis of the

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1 effectiveness and cost of the tax credit and whether the tax
2 credit is performing the purpose for which it was created.

3 I. As used in this section, "electric vehicle
4 charging unit" means a wall-mounted or pedestal-style device
5 that:

6 (1) is used to provide electricity to an
7 electric vehicle;

8 (2) is designed to create a connection between
9 an electric grid and the electric vehicle;

10 (3) communicates with the electric vehicle's
11 control system to ensure that electricity flows at an
12 appropriate voltage and current level; and

13 (4) is installed on nonresidential property."

14 SECTION 4. APPLICABILITY.--The provisions of this act
15 apply to taxable years beginning on or after January 1, 2014.