

1 SENATE BILL 175

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

3 INTRODUCED BY

4 Carlos R. Cisneros

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10 AN ACT

11 RELATING TO TAXATION; REDUCING THE GROSS RECEIPTS TAX RATE;
12 PROVIDING THAT THE PLACE OF BUSINESS OF A PERSON WITHOUT
13 PHYSICAL PRESENCE IN THIS STATE IS WHERE THE PROPERTY OR
14 SERVICE BEING SOLD IS DELIVERED; PROVIDING THAT CERTAIN THIRD-
15 PARTY SELLERS ARE SUBJECT TO THE GROSS RECEIPTS AND
16 COMPENSATING TAX ACT; BARRING THE TAXATION AND REVENUE
17 DEPARTMENT FROM ENFORCING COLLECTION OF THE GROSS RECEIPTS TAX
18 IN CERTAIN CIRCUMSTANCES; IMPOSING THE STATE GROSS RECEIPTS TAX
19 ON A NONPROFIT HOSPITAL; IMPOSING THE GOVERNMENTAL GROSS
20 RECEIPTS TAX ON A GOVERNMENT HOSPITAL; PROVIDING THAT THE NET
21 GOVERNMENTAL GROSS RECEIPTS ATTRIBUTABLE TO GOVERNMENT
22 HOSPITALS SHALL BE DISTRIBUTED TO THE GENERAL FUND; INCREASING
23 THE MOTOR VEHICLE EXCISE TAX; LIMITING THE PREMIUM TAX IN LIEU
24 OF PROVISION; REPEALING THE CREDIT AGAINST THE GROSS RECEIPTS
25 TAX FOR CERTAIN HOSPITALS AND A DISTRIBUTION RELATED TO THAT

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1 CREDIT; AMENDING AND REPEALING CERTAIN OTHER INCOME TAX CREDITS
2 AND GROSS RECEIPTS TAX EXEMPTIONS AND DEDUCTIONS; MAKING AN
3 APPROPRIATION.

4

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

6 SECTION 1. Section 7-1-6.4 NMSA 1978 (being Laws 1983,
7 Chapter 211, Section 9, as amended) is amended to read:

8 "7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS
9 TAX.--

10 A. Except as provided in Subsection B of this
11 section, a distribution pursuant to Section 7-1-6.1 NMSA 1978
12 shall be made to each municipality in an amount, subject to any
13 increase or decrease made pursuant to Section 7-1-6.15 NMSA
14 1978, equal to the product of the quotient of one and two
15 hundred twenty-five thousandths percent divided by the tax rate
16 imposed by Section 7-9-4 NMSA 1978 multiplied by the net
17 receipts, except net receipts attributable to a nonprofit
18 hospital licensed by the department of health, for the month
19 attributable to the gross receipts tax from business locations:

- 20 (1) within that municipality;
- 21 (2) on land owned by the state, commonly known
22 as the "state fairgrounds", within the exterior boundaries of
23 that municipality;
- 24 (3) outside the boundaries of any municipality
25 on land owned by that municipality; and

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1 (4) on an Indian reservation or pueblo grant
2 in an area that is contiguous to that municipality and in which
3 the municipality performs services pursuant to a contract
4 between the municipality and the Indian tribe or Indian pueblo
5 if:

6 (a) the contract describes an area in
7 which the municipality is required to perform services and
8 requires the municipality to perform services that are
9 substantially the same as the services the municipality
10 performs for itself; and

11 (b) the governing body of the
12 municipality has submitted a copy of the contract to the
13 secretary.

14 B. If the reduction made by Laws 1991, Chapter 9,
15 Section 9 to the distribution under this section impairs the
16 ability of a municipality to meet its principal or interest
17 payment obligations for revenue bonds outstanding prior to July
18 1, 1991 that are secured by the pledge of all or part of the
19 municipality's revenue from the distribution made under this
20 section, then the amount distributed pursuant to this section
21 to that municipality shall be increased by an amount sufficient
22 to meet any required payment, provided that the distribution
23 amount does not exceed the amount that would have been due that
24 municipality under this section as it was in effect on June 30,
25 1992.

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1 C. A distribution pursuant to this section may be
2 adjusted for a distribution made to a tax increment development
3 district with respect to a portion of a gross receipts tax
4 increment dedicated by a municipality pursuant to the Tax
5 Increment for Development Act."

6 SECTION 2. Section 7-1-6.38 NMSA 1978 (being Laws 1994,
7 Chapter 145, Section 1, as amended) is amended to read:

8 "7-1-6.38. DISTRIBUTION--GOVERNMENTAL GROSS RECEIPTS
9 TAX.--

10 A. A distribution pursuant to Section 7-1-6.1 NMSA
11 1978 shall be made in amounts equal to the following
12 percentages of the net receipts attributable to the
13 governmental gross receipts tax, less the net receipts
14 attributable to a hospital licensed by the department of
15 health:

16 (1) seventy-five percent to the public project
17 revolving fund administered by the New Mexico finance
18 authority; [~~in an amount equal to seventy-five percent of the~~
19 ~~net receipts attributable to the governmental gross receipts~~
20 ~~tax.~~

21 ~~B. A distribution pursuant to Section 7-1-6.1 NMSA~~
22 ~~1978 shall be made]~~

23 (2) twenty-four percent to the energy,
24 minerals and natural resources department [~~in an amount equal~~
25 ~~to twenty-four percent of the net receipts attributable to the~~

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1 ~~governmental gross receipts tax~~]; provided that forty-one and
2 two-thirds percent of the distribution is appropriated to the
3 energy, minerals and natural resources department to implement
4 the provisions of the New Mexico Youth Conservation Corps Act
5 and fifty-eight and one-third percent of the distribution is
6 appropriated to the energy, minerals and natural resources
7 department for state park and recreation area capital
8 improvements, including the costs of planning, engineering,
9 design, construction, renovation, repair, equipment and
10 furnishings; and

11 ~~[C. A distribution pursuant to Section 7-1-6.1 NMSA~~
12 ~~1978 shall be made]~~

13 (3) one percent to the ~~[office of]~~ cultural
14 affairs ~~[in an amount equal to one percent of the net receipts~~
15 ~~attributable to the governmental gross receipts tax]~~ department
16 for capital improvements at state museums and monuments
17 administered by the ~~[office of]~~ cultural affairs department.

18 ~~[D.]~~ B. The state pledges to and agrees with the
19 holders of any bonds or notes issued by the New Mexico finance
20 authority or by the energy, minerals and natural resources
21 department and payable from the net receipts attributable to
22 the governmental gross receipts tax distributed to the New
23 Mexico finance authority or the energy, minerals and natural
24 resources department pursuant to this section that the state
25 will not limit, reduce or alter the distribution of the net

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1 receipts attributable to the governmental gross receipts tax to
2 the New Mexico finance authority or the energy, minerals and
3 natural resources department or limit, reduce or alter the rate
4 of imposition of the governmental gross receipts tax until the
5 bonds or notes together with the interest thereon are fully met
6 and discharged. The New Mexico finance authority and the
7 energy, minerals and natural resources department are
8 authorized to include this pledge and agreement of the state in
9 any agreement with the holders of the bonds or notes."

10 SECTION 3. Section 7-1-14 NMSA 1978 (being Laws 1969,
11 Chapter 145, Section 1, as amended) is amended to read:

12 "7-1-14. SECRETARY MAY DETERMINE WHERE CERTAIN GROSS
13 RECEIPTS ARE TO BE REPORTED--PLACE OF BUSINESS FOR CONSTRUCTION
14 PROJECTS, ~~[AND]~~ CERTAIN REAL PROPERTY SALES AND SALES BY
15 PERSONS WITHOUT PHYSICAL PRESENCE.--

16 A. By regulation, the secretary may require any
17 person maintaining one or more places of business to report the
18 person's taxable gross receipts and deductions for each
19 municipality or county or area within an Indian reservation or
20 pueblo grant in which the person maintains a place of business.

21 B. For persons engaged in the construction
22 business, the place where the construction project is performed
23 is a "place of business", and all receipts from that project
24 are to be reported from that place of business.

25 C. The secretary may, by regulation, also require

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1 any person maintaining a business outside the boundaries of a
2 municipality on land owned by that municipality to report the
3 person's taxable gross receipts for that municipality.

4 D. For a person engaged in the business of selling
5 real estate, the location of the real property sold is the
6 "place of business", and all receipts from that sale are to be
7 reported from that place of business.

8 E. For a person engaging in business but that is
9 without physical presence in this state, "place of business" is
10 the location where the property or the product of a service
11 being sold by the person is delivered."

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

14 "[NEW MATERIAL] LIABILITY OF MARKETPLACE FACILITATORS AND
15 REMOTE SELLERS.--

16 A. Remote sellers and marketplace facilitators are
17 liable for the taxes imposed pursuant to the Gross Receipts and
18 Compensating Tax Act if, during the current or immediately
19 preceding calendar year:

20 (1) for a remote seller, the remote seller's
21 gross receipts from sales sourced to this state pursuant to
22 Section 7-1-14 NMSA 1978 are at least one hundred thousand
23 dollars (\$100,000); and

24 (2) for a marketplace facilitator, the
25 marketplace facilitator's gross receipts from sales sourced to

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1 this state pursuant to Section 7-1-14 NMSA 1978, whether the
2 sales are made in the marketplace facilitator's own name or by
3 the marketplace facilitator as an agent of a marketplace
4 seller, total at least one hundred thousand dollars (\$100,000).
5 The provisions of this section apply to marketplace
6 facilitators only with respect to:

7 (a) receipts from sales through the
8 marketplace facilitator's marketplace by or on behalf of
9 marketplace sellers who do not have a physical presence in this
10 state; and

11 (b) receipts from sales made by the
12 marketplace facilitator, provided that the marketplace
13 facilitator does not have a physical presence in this state.

14 B. For purposes of this section, a marketplace
15 facilitator is deemed to be an agent of a marketplace seller
16 that makes sales through the marketplace facilitator's physical
17 or electronic marketplace.

18 C. The department may require a marketplace
19 facilitator to provide to the department any information the
20 department determines is reasonably necessary to enforce the
21 provisions of this section. Such information may include
22 documentation of sales made by marketplace sellers through the
23 marketplace facilitator's physical or electronic marketplace.
24 The department may prescribe by rule the form and manner for
25 providing this information.

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1 D. Subject to the limitations provided in
2 Subsection E of this section, a marketplace facilitator is
3 relieved of liability pursuant to this section for failure to
4 remit the correct amount of tax to the extent that the
5 marketplace facilitator can show to the department's
6 satisfaction that the:

7 (1) failure was due to incorrect information
8 given to the marketplace facilitator by the marketplace seller,
9 unless the marketplace facilitator and the marketplace seller
10 are affiliated persons. When the marketplace facilitator is
11 relieved of liability pursuant to this subsection, the
12 marketplace seller is solely liable for the amount of tax due;

13 (2) failure was not due to an error in
14 sourcing the sale pursuant to Section 7-1-14 NMSA 1978; and

15 (3) sale was made:

16 (a) through the marketplace
17 facilitator's marketplace; and

18 (b) with the marketplace facilitator
19 acting as the agent of a marketplace seller and the marketplace
20 facilitator and marketplace seller are not affiliated persons.

21 E. Liability relief for a marketplace facilitator
22 pursuant to Subsection D of this section is limited as follows:

23 (1) for calendar year 2019, the liability
24 relief may not exceed ten percent of the total tax due pursuant
25 to this section on receipts from sales made by the marketplace

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1 facilitator as agent of a marketplace seller and sourced to
2 this state during the same calendar year;

3 (2) for calendar years 2020, 2021, 2022 and
4 2023, the liability relief may not exceed five percent of the
5 total tax due pursuant to this section on receipts from sales
6 by the marketplace facilitator as agent of a marketplace seller
7 and sourced to this state during the same calendar year; and

8 (3) beginning in calendar year 2024, the
9 liability relief may not exceed three percent of the total tax
10 due pursuant to this section on receipts from sales by the
11 marketplace facilitator as agent of a marketplace seller and
12 sourced to this state during the same calendar year.

13 F. If a marketplace facilitator is relieved of
14 liability pursuant to Paragraphs (2) and (3) of Subsection D of
15 this section, the marketplace seller is also relieved of
16 liability for the amount of tax due, subject to the limitations
17 in Subsection G of this section.

18 G. Except as otherwise provided in this section, a
19 marketplace seller obligated to remit the taxes imposed
20 pursuant to the Gross Receipts and Compensating Tax Act is not
21 required to remit such taxes on receipts from sales made
22 through a marketplace operated by a marketplace facilitator if
23 the marketplace seller has obtained documentation from the
24 marketplace facilitator indicating that the marketplace
25 facilitator is registered with the department and will remit

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1 the taxes due on all receipts from sales made on behalf of the
2 marketplace seller through the marketplace operated by the
3 marketplace facilitator. The documentation shall be provided
4 in a form and manner prescribed by the department. A
5 marketplace seller is not relieved from liability for taxes due
6 pursuant to this section due to a failure of a marketplace
7 facilitator to remit the proper amount of tax due when the
8 error was due to incorrect information given to the marketplace
9 facilitator by the marketplace seller.

10 H. As used in this section:

11 (1) "affiliated person" means a person that,
12 with respect to another person:

13 (a) has an ownership interest of more
14 than five percent, whether direct or indirect, in the other
15 person; or

16 (b) is related to the other person
17 because a third person, or group of third persons who are
18 affiliated persons with respect to each other, holds an
19 ownership interest of more than five percent, whether direct or
20 indirect, in the related persons;

21 (2) "marketplace facilitator" means a person
22 that contracts with sellers to facilitate for consideration,
23 including by a deduction of a fee from the transaction, the
24 sale of the seller's products through a physical or electronic
25 marketplace operated by the person and engages:

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1 (a) directly or indirectly, through one
2 or more affiliated persons, in any of the following: 1)
3 transmitting or otherwise communicating the offer or acceptance
4 between the buyer and seller; 2) owning or operating the
5 infrastructure, electronic or physical, or technology that
6 brings buyers and sellers together; 3) providing a virtual
7 currency that buyers are allowed or required to use to purchase
8 products from the seller; or 4) software development or
9 research and development activities related to any of the
10 activities described in Subparagraph (b) of this paragraph, if
11 such activities are directly related to a physical or
12 electronic marketplace operated by the person or an affiliated
13 person; and

14 (b) in any of the following activities
15 with respect to the seller's products: 1) payment processing
16 services; 2) fulfillment or storage services; 3) listing
17 products for sale; 4) setting prices; 5) branding sales as
18 those of the marketplace facilitator; 6) order taking; 7)
19 advertising or promotion; or 8) providing customer service or
20 accepting or assisting with returns or exchanges;

21 (3) "marketplace seller" means a seller that
22 makes sales through any physical or electronic marketplaces
23 operated by a marketplace facilitator, regardless of whether
24 the seller is required to be registered with the department;

25 (4) "purchaser" means any person who purchases

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1 or leases a product sourced to this state;

2 (5) "remote seller" means a seller, other than
3 a marketplace facilitator, that does not have a physical
4 presence in this state and that makes sales to purchasers; and

5 (6) "seller" means a person who engages in the
6 act of selling and who:

7 (a) transfers property for
8 consideration;

9 (b) performs a service for
10 consideration; or

11 (c) is a marketplace facilitator,
12 whether making sales in the marketplace facilitator's own right
13 or on behalf of marketplace sellers."

14 SECTION 5. Section 7-9-4 NMSA 1978 (being Laws 1966,
15 Chapter 47, Section 4, as amended) is amended to read:

16 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
17 "GROSS RECEIPTS TAX".--

18 A. For the privilege of engaging in business, an
19 excise tax equal to [~~five and one-eighth~~] four and eight
20 hundred forty-five thousandths percent of gross receipts is
21 imposed on any person engaging in business in New Mexico.

22 B. The tax imposed by this section shall be
23 referred to as the "gross receipts tax".

24 SECTION 6. Section 7-9-4.3 NMSA 1978 (being Laws 1991,
25 Chapter 8, Section 2, as amended by Laws 1993, Chapter 332,

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1 Section 1 and by Laws 1993, Chapter 352, Section 1) is amended
2 to read:

3 "7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
4 "GOVERNMENTAL GROSS RECEIPTS TAX".--For the privilege of
5 engaging in certain activities by governments, there is imposed
6 on every agency, institution, instrumentality or political
7 subdivision of the state, except any school district and [~~any~~]
8 an entity licensed by the department of health, other than a
9 hospital, that is principally engaged in providing health care
10 services, an excise tax of five percent of governmental gross
11 receipts. The tax imposed by this section shall be referred to
12 as the "governmental gross receipts tax"."

13 SECTION 7. Section 7-9-7.1 NMSA 1978 (being Laws 1993,
14 Chapter 45, Section 1, as amended) is amended to read:

15 "7-9-7.1. DEPARTMENT BARRED FROM TAKING COLLECTION
16 ACTIONS WITH RESPECT TO CERTAIN COMPENSATING AND GROSS RECEIPTS
17 TAX LIABILITIES.--

18 A. The department shall take no action to enforce
19 collection of compensating tax due on purchases made by an
20 individual if:

- 21 (1) the property is used only for nonbusiness
- 22 purposes;
- 23 (2) the property is not a manufactured home;
- 24 and
- 25 (3) the individual is not an agent for

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1 collection of compensating tax pursuant to Section 7-9-10 NMSA
2 1978.

3 B. The department shall take no action to enforce
4 collection of gross receipts tax for a tax period prior to July
5 1, 2019 on persons engaging in business if, for those tax
6 periods, those persons:

- 7 (1) lacked physical presence in the state; and
- 8 (2) did not report taxable gross receipts
9 prior to July 1, 2019.

10 ~~[B-]~~ C. The prohibition in Subsection A of this
11 section does not prevent the department from enforcing
12 collection of compensating tax on purchases from persons who
13 are not individuals, who are agents for collection pursuant to
14 Section 7-9-10 NMSA 1978 or who use the property in the course
15 of engaging in business in New Mexico or from enforcing
16 collection of compensating tax due on purchase of manufactured
17 homes."

18 SECTION 8. Section 7-9-24 NMSA 1978 (being Laws 1969,
19 Chapter 144, Section 17, as amended) is amended to read:

20 "7-9-24. EXEMPTION--GROSS RECEIPTS TAX--INSURANCE
21 ~~[COMPANIES]~~ PREMIUMS.--

22 A. Exempted from the gross receipts tax are the
23 receipts ~~[of insurance companies or any agent thereof from~~
24 ~~premiums and any consideration received by a property bondsman,~~
25 ~~as that person is defined in Section 59A-51-2 NMSA 1978, as~~

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1 ~~security or surety for a bail bond in connection with a~~
2 ~~judicial proceeding]~~ from gross premiums for which the premium
3 tax pursuant to Section 59A-6-2 NMSA 1978 is assessed.

4 B. Exempted from the gross receipts tax are the
5 receipts of a third-party administrator for services directly
6 related to administering an insurance plan on behalf of an
7 insurer.

8 C. As used in this section:

9 (1) "gross premiums" means "gross premiums" as
10 used in the New Mexico Insurance Code; and

11 (2) "insurer" means "insurer" as used in the
12 New Mexico Insurance Code."

13 SECTION 9. Section 7-9-29 NMSA 1978 (being Laws 1970,
14 Chapter 12, Section 3, as amended) is amended to read:

15 "7-9-29. EXEMPTION--GROSS RECEIPTS TAX--CERTAIN
16 ORGANIZATIONS--EXCEPTIONS.--

17 A. Exempted from the gross receipts tax are the
18 receipts of organizations that demonstrate to the department
19 that they have been granted exemption from the federal income
20 tax by the United States commissioner of internal revenue as
21 organizations described in Section 501(c)(3) of the United
22 States Internal Revenue Code of [~~1954~~] 1986, as that section
23 may be amended or renumbered, except as provided in Subsection
24 B of this section.

25 B. Exempted from any local option gross receipts

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1 tax, but not the state gross receipts tax, are receipts of an
2 organization that is a hospital licensed by the department of
3 health that demonstrates to the department that it has been
4 granted exemption from the federal income tax by the United
5 States commissioner of internal revenue as an organization
6 described in Section 501(c)(3) of the United States Internal
7 Revenue Code of 1986, as that section may be amended or
8 renumbered.

9 [B-] C. Exempted from the gross receipts tax are
10 the receipts from carrying on chamber of commerce, visitor
11 bureau and convention bureau functions of organizations that
12 demonstrate to the department that they have been granted
13 exemption from the federal income tax by the United States
14 commissioner of internal revenue as organizations described in
15 Section 501(c)(6) of the United States Internal Revenue Code of
16 [~~1954~~] 1986, as that section may be amended or renumbered.

17 [G-] D. This section does not apply to:

18 (1) receipts derived from an unrelated trade
19 or business as defined in Section 513 of the United States
20 Internal Revenue Code of [~~1954~~] 1986, as that section may be
21 amended or renumbered; or

22 (2) receipts of a prime contractor that are
23 derived from operating a facility in New Mexico designated as a
24 national laboratory by an act of congress."

25 SECTION 10. Section 7-9-73.1 NMSA 1978 (being Laws 1991,

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1 Chapter 8, Section 3, as amended) is amended to read:

2 "7-9-73.1. DEDUCTION--GROSS RECEIPTS--GOVERNMENTAL GROSS
3 RECEIPTS--HOSPITALS.--

4 A. Fifty percent of the receipts of hospitals
5 licensed by the department of health may be deducted from gross
6 receipts; provided that this deduction may be applied only to
7 the taxable gross receipts remaining after all other
8 appropriate deductions have been taken.

9 B. Fifty percent of the receipts of a hospital
10 licensed by the department of health may be deducted from
11 governmental gross receipts; provided that this deduction may
12 be applied only to the taxable governmental gross receipts
13 remaining after all other appropriate deductions have been
14 taken."

15 SECTION 11. Section 7-14-4 NMSA 1978 (being Laws 1988,
16 Chapter 73, Section 14) is amended to read:

17 "7-14-4. [~~DETERMINATION OF~~] AMOUNT OF MOTOR VEHICLE
18 EXCISE TAX.--The rate of the motor vehicle excise tax is
19 [~~three~~] four percent and is applied to the price paid for the
20 vehicle. If the price paid does not represent the value of the
21 vehicle in the condition that existed at the time it was
22 acquired, the tax rate shall be applied to the reasonable value
23 of the vehicle in such condition at such time. However,
24 allowances granted for vehicle trade-ins may be deducted from
25 the price paid or the reasonable value of the vehicle

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1 purchased."

2 SECTION 12. Section 7-14-6 NMSA 1978 (being Laws 1988,
3 Chapter 73, Section 16, as amended) is amended to read:

4 "7-14-6. EXEMPTIONS FROM TAX.--

5 A. A person who acquires a vehicle out of state
6 thirty or more days before establishing a domicile in this
7 state is exempt from the tax if the vehicle was acquired for
8 personal use.

9 B. A person applying for a certificate of title for
10 a vehicle registered in another state is exempt from the tax if
11 the person has previously registered and titled the vehicle in
12 New Mexico and has owned the vehicle continuously since that
13 time.

14 C. A vehicle with a certificate of title owned by
15 this state or any political subdivision is exempt from the tax.

16 D. A person is exempt from the tax if the person
17 has a disability at the time the person purchases a vehicle and
18 can prove to the motor vehicle division of the department or
19 its agent that modifications have been made to the vehicle that
20 are:

- 21 (1) due to that person's disability; and
 - 22 (2) necessary to enable that person to drive
- 23 that vehicle or be transported in that vehicle.

24 E. A person is exempt from the tax if the person is
25 a bona fide resident of New Mexico who served in the armed

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1 forces of the United States and who suffered, while serving in
2 the armed forces or from a service-connected cause, the loss or
3 complete and total loss of use of:

4 (1) one or both legs at or above the ankle; or

5 (2) one or both arms at or above the wrist.

6 F. A person who acquires a vehicle for subsequent
7 lease shall be exempt from the tax if:

8 (1) the person does not use the vehicle in any
9 manner other than holding it for lease or sale or leasing or
10 selling it in the ordinary course of business;

11 (2) the lease is for a term of more than six
12 months;

13 (3) the receipts from the subsequent lease are
14 subject to the gross receipts tax; and

15 (4) the vehicle does not have a gross vehicle
16 weight of over twenty-six thousand pounds.

17 [~~G. From July 1, 2004 through June 30, 2009,~~
18 ~~vehicles that are gasoline-electric hybrid vehicles with a~~
19 ~~United States environmental protection agency fuel economy~~
20 ~~rating of at least twenty-seven and one-half miles per gallon~~
21 ~~are eligible for a one-time exemption from the tax at the time~~
22 ~~of the issuance of the original certificate of title for the~~
23 ~~vehicle.]"~~

24 SECTION 13. Section 59A-6-6 NMSA 1978 (being Laws 1984,
25 Chapter 127, Section 106, as amended) is amended to read:

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1 "59A-6-6. PREEMPTION AND IN LIEU PROVISION.--The state
2 government of New Mexico preempts the field of taxation of
3 insurers, nonprofit health care plans, health maintenance
4 organizations, prepaid dental plans, prearranged funeral plans
5 and insurance producers as such, and payment of the taxes,
6 licenses and fees. [~~provided for in the Insurance Code~~] The
7 premium tax imposed pursuant to Section 59A-6-2 NMSA 1978 shall
8 be in lieu of all other taxes [~~licenses and fees of every kind~~
9 ~~now or hereafter imposed by this state or any political~~
10 ~~subdivision thereof on any of the foregoing specified entities,~~
11 ~~excepting the regular state, county and city taxes on property~~
12 ~~located in New Mexico and excepting the income tax on insurance~~
13 ~~producers. No provision of law enacted after January 1, 1985~~
14 ~~shall be deemed to modify this provision except by express~~
15 ~~reference to this section] on revenue or receipts for which the
16 premium tax is assessed."~~

17 SECTION 14. TEMPORARY PROVISION--EXHAUSTION OF CREDITS.--

18 A. If a taxpayer has met the eligibility
19 requirements to apply for and claim a credit pursuant to
20 Section 7-2-18.4, 7-2-18.5, 7-2-18.8, 7-2-18.21, 7-2-18.27,
21 7-2A-15 or 7-2A-23 NMSA 1978 or a credit pursuant to the
22 Venture Capital Investment Act for a period prior to the
23 effective date of this act, the taxpayer may claim, and the
24 taxation and revenue department may approve, the credit for
25 those periods, including amounts that may be carried forward

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1 pursuant to those sections and that act as they were in effect
2 prior to the effective date of this act.

3 B. If a taxpayer has claimed and been awarded a
4 credit pursuant to Section 7-2-18.4, 7-2-18.5, 7-2-18.8,
5 7-2-18.21, 7-2-18.27, 7-2A-15 or 7-2A-23 NMSA 1978 or a credit
6 pursuant to the Venture Capital Investment Act, but a portion
7 of the credit claimed remains unused, the taxpayer may claim
8 the unused portion, including amounts that could have been
9 carried forward pursuant to those sections or that act as they
10 were in effect prior to the effective date of this act.

11 SECTION 15. REPEAL.--Sections 7-1-6.57, 7-9-65, 7-9-96.1
12 and 7-9-106 NMSA 1978 (being Laws 2007, Chapter 361, Section 1,
13 Laws 1969, Chapter 144, Section 56, Laws 2007, Chapter 361,
14 Section 7 and Laws 2007, Chapter 172, Section 8, as amended)
15 are repealed.

16 SECTION 16. DELAYED REPEAL.--Sections 7-2-18.4, 7-2-18.5,
17 7-2-18.8, 7-2-18.21, 7-2-18.27, 7-2A-15, 7-2A-23, 7-2D-1,
18 7-2D-2 and 7-2D-4 through 7-2D-14 NMSA 1978 (being Laws 1994,
19 Chapter 115, Section 1, Laws 1998, Chapter 97, Section 2, Laws
20 2001, Chapter 73, Section 1, Laws 2007, Chapter 204, Section 7,
21 Laws 2011, Chapter 89, Section 1, Laws 1994, Chapter 115,
22 Section 2, Laws 2007, Chapter 204, Section 8, Laws 1993,
23 Chapter 313, Sections 1, 2 and 4 through 8, Laws 1995, Chapter
24 89, Section 8 and Laws 1993, Chapter 313, Sections 9 through
25 14, as amended) are repealed effective January 1, 2019.

.209009.4

1 SECTION 17. EFFECTIVE DATE.--

2 A. The effective date of the provisions of Sections
3 1, 2, 5, 6 and 8 through 15 of this act is July 1, 2018.

4 B. The effective date of the provisions of Sections
5 3, 4 and 7 of this act is July 1, 2019.

underscoring material = new
~~[bracketed material]~~ = delete