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HOUSE BILL 185

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Jim R. Trujillo

AN ACT

RELATING TO ELECTRIC MOTOR VEHICLES; CREATING THE ELECTRIC
VEHICLE INCOME TAX CREDIT; CREATING THE ELECTRIC VEHICLE
CHARGING UNIT INCOME TAX CREDIT; REQUIRING AN ADDITIONAL
REGISTRATION FEE FOR ELECTRIC AND HYBRID VEHICLES; PROVIDING
THAT THE ADDITIONAL REGISTRATION FEES BE DISTRIBUTED TO THE
STATE ROAD FUND.

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. Prior to January 1, 2027, a taxpayer who is not
a dependent of another individual and who purchases or leases a
qualified electric vehicle may apply for, and the department
may allow, a credit against the taxpayer's tax liability

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1 imposed pursuant to the Income Tax Act in an amount provided in
2 Subsection C of this section. The tax credit provided by this
3 section may be referred to as the "electric vehicle income tax
4 credit".

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

10 C. The electric vehicle income tax credit shall not
11 exceed two thousand five hundred dollars (\$2,500), except that
12 a taxpayer who meets the following requirements shall be
13 allowed a credit in the amount of three thousand five hundred
14 dollars (\$3,500):

15 (1) a taxpayer who files as a single
16 individual with an adjusted gross income of fifty thousand
17 dollars (\$50,000) or less;

18 (2) a taxpayer who files as a married
19 individual filing a separate return with an adjusted gross
20 income of thirty-seven thousand five hundred dollars (\$37,500)
21 or less; and

22 (3) a taxpayer who files as a head of
23 household or surviving spouse, or taxpayers who file as married
24 individuals filing a joint return, with an adjusted gross
25 income of seventy-five thousand dollars (\$75,000) or less.

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1 D. Subject to the limitation in Subsection E of
2 this section, a taxpayer may claim the electric vehicle income
3 tax credit provided in this section for each taxable year in
4 which the taxpayer:

- 5 (1) purchases a qualified electric vehicle; or
- 6 (2) begins a new lease with a term of at least
7 two years for a qualified electric vehicle.

8 E. The aggregate amount of electric vehicle income
9 tax credit claims that may be authorized for payment in any
10 fiscal year is five million dollars (\$5,000,000). If a
11 taxpayer submits a claim for a tax credit but is unable to
12 receive the tax credit because the claims for the fiscal year
13 exceed the limitation provided in this subsection, the
14 taxpayer's claim shall be placed at the front of a queue of
15 credit claimants for the subsequent fiscal year in the order of
16 the date on which the credit was authorized for payment.
17 Completed applications for the tax credit shall be considered
18 in the order received by the department.

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

24 G. Married individuals filing separate returns for
25 a taxable year for which they could have filed a joint return

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1 may each claim only one-half of the electric vehicle income tax
2 credit that would have been claimed on a joint return.

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

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

18 J. A taxpayer allowed an electric vehicle income
19 tax credit shall report the amount of the tax credit to the
20 department on a form and in a manner required by the
21 department.

22 K. The department shall compile an annual report on
23 the electric vehicle income tax credit that shall include the
24 number of taxpayers approved by the department to receive the
25 tax credit, the aggregate amount of tax credits approved and

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1 any other information necessary to evaluate the tax credit.
2 The department shall compile and present the annual report to
3 the revenue stabilization and tax policy committee and the
4 legislative finance committee with an analysis of the cost of
5 the tax credit.

6 L. As used in this section:

7 (1) "plug-in hybrid electric vehicle" means a
8 vehicle that uses both an internal combustion engine and an
9 electric motor, has a battery pack that holds at least six
10 kilowatt-hours and is capable of operation without the use of
11 the internal combustion engine for an all-electric range of at
12 least fifteen miles; and

13 (2) "qualified electric vehicle" means a new
14 motor vehicle or new plug-in hybrid electric vehicle with four
15 wheels that:

16 (a) is made by a manufacturer;

17 (b) is manufactured primarily for use on
18 public streets, roads or highways;

19 (c) has not been modified from the
20 original manufacturer specifications;

21 (d) has a purchase price of forty-eight
22 thousand dollars (\$48,000) or less, before any taxes are
23 imposed;

24 (e) is rated at not less than two
25 thousand two hundred pounds unloaded base weight and not more

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1 than eight thousand five hundred pounds unloaded base weight;

2 (f) has a maximum speed capability of at
3 least sixty-five miles per hour; and

4 (g) is propelled to a significant extent
5 by an electric motor that draws electricity from a battery
6 that: 1) has a capacity of not less than four kilowatt-hours;
7 and 2) is capable of being recharged from an external source of
8 electricity."

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

11 "[NEW MATERIAL] ELECTRIC VEHICLE CHARGING UNIT INCOME TAX
12 CREDIT.--

13 A. Prior to January 1, 2027, a taxpayer who is not
14 a dependent of another individual and who purchases and
15 installs an electric vehicle charging unit may apply for, and
16 the department may allow, a credit against the taxpayer's tax
17 liability imposed pursuant to the Income Tax Act. The tax
18 credit provided by this section may be referred to as the
19 "electric vehicle charging unit income tax credit".

20 B. The electric vehicle charging unit income tax
21 credit shall not exceed three hundred dollars (\$300) or the
22 cost to purchase and install an electric vehicle charging unit,
23 whichever is less.

24 C. The department may allow a maximum annual
25 aggregate of five hundred thousand dollars (\$500,000) in

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1 electric vehicle charging unit income tax credits per fiscal
2 year. Completed applications for a tax credit shall be
3 considered in the order received by the department.

4 D. A taxpayer may claim an electric vehicle
5 charging unit income tax credit for the taxable year in which
6 the taxpayer purchases and installs an electric vehicle
7 charging unit. To receive an electric vehicle charging unit
8 income tax credit, a taxpayer shall submit an application to
9 the department on forms and in the manner prescribed by the
10 department; provided that a completed application shall
11 include:

12 (1) a receipt for the purchase of an electric
13 vehicle charging unit; and

14 (2) a copy of the data sheet that specifies
15 the connector type, plug type, voltage and current of the
16 purchased electric vehicle charging unit.

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

22 F. Married individuals filing separate returns for
23 a taxable year for which they could have filed a joint return
24 may each claim only one-half of the electric vehicle charging
25 unit income tax credit that would have been claimed on a joint

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1 return.

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

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

15 I. The department shall compile an annual report on
16 the electric vehicle charging unit income tax credit that shall
17 include the number of taxpayers approved by the department to
18 receive the tax credit, the aggregate amount of tax credits
19 approved and any other information necessary to evaluate the
20 effectiveness of the tax credit. The department shall present
21 the annual report to the revenue stabilization and tax policy
22 committee and the legislative finance committee with an
23 analysis of the effectiveness and cost of the tax credit and
24 whether the tax credit is performing the purpose for which it
25 was created.

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

4 (1) is used to provide electricity to an
5 electric vehicle;

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

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

11 (4) is installed on residential property
12 located in the state that is a single-family dwelling."

13 **SECTION 3.** A new section of the Motor Vehicle Code is
14 enacted to read:

15 "[NEW MATERIAL] ADDITIONAL REGISTRATION FEE--ELECTRIC AND
16 HYBRID VEHICLES.--

17 A. For registration of vehicles subject to the
18 registration fees imposed by Section 66-6-2 NMSA 1978, there is
19 imposed an additional annual fee of twenty-five dollars
20 (\$25.00) for which an electric vehicle is registered.

21 B. For registration of vehicles subject to the
22 registration fees imposed by Section 66-6-2 NMSA 1978, there is
23 imposed an additional fee of fifteen dollars (\$15.00) for which
24 a plug-in hybrid electric vehicle is registered.

25 C. All fees collected pursuant to this section

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1 shall be paid to the state treasurer to the credit of the motor
2 vehicle suspense fund with distribution in accordance with
3 Section 66-6-23 NMSA 1978.

4 D. As used in this section:

5 (1) "electric vehicle" means a new motor
6 vehicle with four wheels that:

7 (a) is made by a manufacturer;

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

10 (c) has not been modified from the
11 original manufacturer specifications;

12 (d) has a purchase price of forty-eight
13 thousand dollars (\$48,000) or less, before any taxes are
14 imposed;

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

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

20 (g) is propelled to a significant extent
21 by an electric motor that draws electricity from a battery
22 that: 1) has a capacity of not less than six kilowatt-hours;
23 and 2) is capable of being recharged from an external source of
24 electricity; and

25 (2) "plug-in hybrid electric vehicle" means a

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1 new vehicle that uses both an internal combustion engine and an
2 electric motor, has a battery pack that holds at least six
3 kilowatt-hours and is capable of operation without the use of
4 the internal combustion engine for an all-electric range of at
5 least fifteen miles."

6 SECTION 4. Section 66-6-23 NMSA 1978 (being Laws 1978,
7 Chapter 35, Section 358, as amended) is amended to read:

8 "66-6-23. DISPOSITION OF FEES.--

9 A. After the necessary disbursements for refunds
10 and other purposes have been made, the money remaining in the
11 motor vehicle suspense fund, except for remittances received
12 within the previous two months that are unidentified as to
13 source or disposition, shall be distributed as follows:

14 (1) to each municipality, county or fee agent
15 operating a motor vehicle field office:

16 (a) an amount equal to six dollars
17 (\$6.00) per driver's license and five dollars (\$5.00) per
18 identification card or motor vehicle or motorboat registration
19 or title transaction performed;

20 (b) for each such agent determined by
21 the secretary pursuant to Section 66-2-16 NMSA 1978 to have
22 performed ten thousand or more transactions in the preceding
23 fiscal year, other than a class A county with a population
24 exceeding three hundred thousand or a municipality with a
25 population exceeding three hundred thousand that has been

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1 designated as an agent pursuant to Section 66-2-14.1 NMSA 1978,
2 an amount equal to one dollar (\$1.00) in addition to the amount
3 distributed pursuant to Subparagraph (a) of this paragraph for
4 each driver's license, identification card, motor vehicle
5 registration, motorboat registration or title transaction
6 performed; and

7 (c) to each military installation
8 designated as a fee agent pursuant to Section 66-2-14.1 NMSA
9 1978, an amount equal to one dollar fifty cents (\$1.50) in
10 addition to the amount distributed pursuant to Subparagraph (a)
11 of this paragraph for each administrative service fee remitted
12 by the military installation to the department pursuant to
13 Subsection A of Section 66-2-16 NMSA 1978;

14 (2) to each municipality or county, other than
15 a class A county with a population exceeding three hundred
16 thousand or a municipality with a population exceeding three
17 hundred thousand that has been designated as an agent pursuant
18 to Section 66-2-14.1 NMSA 1978, operating a motor vehicle field
19 office, an amount equal to one dollar fifty cents (\$1.50) for
20 each administrative service fee remitted by that county or
21 municipality to the department pursuant to the provisions of
22 Subsection A of Section 66-2-16 NMSA 1978;

23 (3) to the state road fund:

24 (a) an amount equal to the fees
25 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA

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1 1978;

2 (b) an amount equal to the fee collected
3 pursuant to Section 66-3-417 NMSA 1978;

4 (c) the remainder of each driver's
5 license fee collected by the department employees from an
6 applicant to whom a license is granted after deducting from the
7 driver's license fee the amount of the distribution authorized
8 in Paragraph (1) of this subsection with respect to that
9 collected driver's license fee; ~~and~~

10 (d) an amount equal to fifty percent of
11 the fees collected pursuant to Section 66-6-19 NMSA 1978; and

12 (e) the amount collected pursuant to
13 Section 3 of this 2019 act;

14 (4) to the local governments road fund, the
15 amount of the fees collected pursuant to Subsection B of
16 Section 66-5-33.1 NMSA 1978 and the remainder of the fees
17 collected pursuant to Subsection A of Section 66-5-408 NMSA
18 1978;

19 (5) to the department:

20 (a) any amounts reimbursed to the
21 department pursuant to Subsection D of Section 66-2-14.1 NMSA
22 1978;

23 (b) an amount equal to two dollars
24 (\$2.00) of each motorcycle registration fee collected pursuant
25 to Section 66-6-1 NMSA 1978;

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1 (c) an amount equal to the fees provided
2 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E
3 of Section 66-2-16 NMSA 1978, Subsections K and L of Section
4 66-3-6 NMSA 1978 other than the administrative fee, Subsection
5 C of Section 66-5-44 NMSA 1978 and Subsection B of Section
6 66-5-408 NMSA 1978;

7 (d) the amounts due to the department
8 for the manufacture and issuance of a special registration
9 plate collected pursuant to the section of law authorizing the
10 issuance of the specialty plate;

11 (e) an amount equal to the registration
12 fees collected pursuant to Section 66-6-6.1 NMSA 1978 for the
13 purposes of enforcing the provisions of the Mandatory Financial
14 Responsibility Act and for creating and maintaining a
15 multilanguage noncommercial driver's license testing program;
16 and after those purposes are met, the balance of the
17 registration fees shall be distributed to the department to
18 defray the costs of operating the [~~motor vehicle~~] division;

19 (f) an amount equal to fifty cents
20 (\$.50) for each administrative fee remitted to the department
21 by a county or municipality operating a motor vehicle field
22 office pursuant to Subsection A of Section 66-2-16 NMSA 1978;

23 (g) an amount equal to one dollar
24 twenty-five cents (\$.25) for each administrative fee collected
25 by the department or any of its agents other than a county or

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1 municipality operating a motor vehicle field office pursuant to
2 Subsection A of Section 66-2-16 NMSA 1978; and

3 (h) an amount equal to the royalties or
4 other consideration paid by commercial users of databases of
5 motor vehicle-related records of the department pursuant to
6 Subsection C of Section 14-3-15.1 NMSA 1978 for the purpose of
7 defraying the costs of maintaining databases of motor vehicle-
8 related records of the department; and after that purpose is
9 met, the balance of the royalties and other consideration shall
10 be distributed to the department to defray the costs of
11 operating the ~~[motor vehicle]~~ division or for use pursuant to
12 Subsection F of Section 66-6-13 NMSA 1978;

13 (6) to each New Mexico institution of higher
14 education, an amount equal to that part of the fees distributed
15 pursuant to Paragraph (2) of Subsection D of Section 66-3-416
16 NMSA 1978 proportionate to the number of special registration
17 plates issued in the name of the institution to all such
18 special registration plates issued in the name of all
19 institutions;

20 (7) to the armed forces veterans license fund,
21 the amount to be distributed pursuant to Paragraph (2) of
22 Subsection E of Section 66-3-419 NMSA 1978;

23 (8) to the children's trust fund, the amount
24 to be distributed pursuant to Paragraph (2) of Subsection D of
25 Section 66-3-420 NMSA 1978;

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1 (9) to the department of transportation, an
2 amount equal to the fees collected pursuant to Section 66-5-35
3 NMSA 1978;

4 (10) to the state equalization guarantee
5 distribution made annually pursuant to the general
6 appropriation act, an amount equal to one hundred percent of
7 the driver safety fee collected pursuant to Subsection D of
8 Section 66-5-44 NMSA 1978;

9 (11) to the motorcycle training fund, two
10 dollars (\$.00) of each motorcycle registration fee collected
11 pursuant to Section 66-6-1 NMSA 1978;

12 (12) to the recycling and illegal dumping
13 fund:

14 (a) fifty cents (\$.50) of the tire
15 recycling fee collected pursuant to the provisions of Section
16 66-6-1 NMSA 1978;

17 (b) fifty cents (\$.50) of each of the
18 tire recycling fees collected pursuant to the provisions of
19 Sections 66-6-2 and 66-6-4 NMSA 1978; and

20 (c) twenty-five cents (\$.25) of each of
21 the tire recycling fees collected pursuant to Sections 66-6-5
22 and 66-6-8 NMSA 1978;

23 (13) to the highway infrastructure fund:

24 (a) fifty cents (\$.50) of the tire
25 recycling fee collected pursuant to the provisions of Section

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1 66-6-1 NMSA 1978;

2 (b) one dollar (\$1.00) of each of the
3 tire recycling fees collected pursuant to the provisions of
4 Sections 66-6-2 and 66-6-4 NMSA 1978; and

5 (c) twenty-five cents (\$.25) of each of
6 the tire recycling fees collected pursuant to Sections 66-6-5
7 and 66-6-8 NMSA 1978;

8 (14) to each county, an amount equal to fifty
9 percent of the fees collected pursuant to Section 66-6-19 NMSA
10 1978 multiplied by a fraction, the numerator of which is the
11 total mileage of public roads maintained by the county and the
12 denominator of which is the total mileage of public roads
13 maintained by all counties in the state;

14 (15) to the litter control and beautification
15 fund, an amount equal to the fees collected pursuant to Section
16 66-6-6.2 NMSA 1978;

17 (16) to the local government division of the
18 department of finance and administration, an amount equal to
19 the fees collected pursuant to Section 66-3-424.3 NMSA 1978 for
20 distribution to each county to support animal control spaying
21 and neutering programs in an amount proportionate to the number
22 of residents of that county who have purchased pet care special
23 registration plates pursuant to Section 66-3-424.3 NMSA 1978;
24 and

25 (17) to the Cumbres and Toltec scenic railroad

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1 commission, twenty-five dollars (\$25.00) collected pursuant to
2 the Cumbres and Toltec scenic railroad special registration
3 plate.

4 B. The balance, exclusive of unidentified
5 remittances, shall be distributed in accordance with Section
6 66-6-23.1 NMSA 1978.

7 C. If any of the paragraphs, subsections or
8 sections referred to in Subsection A of this section are
9 recompiled or otherwise redesignated without a corresponding
10 change to Subsection A of this section, the reference in
11 Subsection A of this section shall be construed to be the
12 recompiled or redesignated paragraph, subsection or section."

13 SECTION 5. APPLICABILITY.--The provisions of Sections 1
14 and 2 of this act apply to taxable years beginning on or after
15 January 1, 2019.

16 SECTION 6. EFFECTIVE DATE.--The effective date of the
17 provisions of Section 3 of this act is January 1, 2020.