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HOUSE BILL 612

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

INTRODUCED BY

Abbas Akhil and Daymon Ely and
Nathan P. Small and Debra M. Sariñana

AN ACT

RELATING TO TAXATION; REINSTATING AN EXEMPTION FROM THE MOTOR
VEHICLE EXCISE TAX FOR CERTAIN HYBRID VEHICLES AND EXPANDING IT
TO INCLUDE CERTAIN ELECTRIC VEHICLES; CORRECTING A CITATION IN
GROSS RECEIPTS AND COMPENSATING TAX EXEMPTIONS FOR CERTAIN
VEHICLES.

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

SECTION 1. Section 7-9-22 NMSA 1978 (being Laws 1969,
Chapter 144, Section 15, as amended) is amended to read:

"7-9-22. EXEMPTION--GROSS RECEIPTS TAX--VEHICLES.--
Exempted from the gross receipts tax are the receipts from
selling vehicles on which a tax is imposed by the Motor Vehicle
Excise Tax Act, vehicles subject to registration under Section
66-3-16 NMSA 1978 and vehicles exempt from the motor vehicle
excise tax pursuant to Subsection [F] G of Section 7-14-6 NMSA

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1 1978."

2 SECTION 2. Section 7-9-23 NMSA 1978 (being Laws 1969,
3 Chapter 144, Section 16, as amended) is amended to read:

4 "7-9-23. EXEMPTION--COMPENSATING TAX--VEHICLES.--Exempted
5 from the compensating tax [~~is~~] are the use of vehicles on which
6 the tax imposed by the Motor Vehicle Excise Tax Act has been
7 paid, the use of vehicles subject to registration under Section
8 66-3-16 NMSA 1978 and the use of vehicles exempt from the motor
9 vehicle excise tax pursuant to Subsection [F] G of Section
10 7-14-6 NMSA 1978."

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

13 "7-14-6. EXEMPTIONS FROM TAX.--

14 A. A person who acquires a vehicle out of state
15 thirty or more days before establishing a domicile in this
16 state is exempt from the tax if the vehicle was acquired for
17 personal use.

18 B. A person applying for a certificate of title for
19 a vehicle registered in another state is exempt from the tax if
20 the person has previously registered and titled the vehicle in
21 New Mexico and has owned the vehicle continuously since that
22 time.

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

25 D. A person is exempt from the tax if the person

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1 has a disability at the time the person purchases a vehicle and
2 can prove to the motor vehicle division of the department or
3 its agent that modifications have been made to the vehicle that
4 are:

- 5 (1) due to that person's disability; and
- 6 (2) necessary to enable that person to drive
7 that vehicle or be transported in that vehicle.

8 E. A person is exempt from the tax if the person is
9 a bona fide resident of New Mexico who served in the armed
10 forces of the United States and who suffered, while serving in
11 the armed forces or from a service-connected cause, the loss or
12 complete and total loss of use of:

- 13 (1) one or both legs at or above the ankle; or
- 14 (2) one or both arms at or above the wrist.

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

- 17 (1) the person does not use the vehicle in any
18 manner other than holding it for lease or sale or leasing or
19 selling it in the ordinary course of business;
- 20 (2) the lease is for a term of more than six
21 months;
- 22 (3) the receipts from the subsequent lease are
23 subject to the gross receipts tax; and
- 24 (4) the vehicle does not have a gross vehicle
25 weight of over twenty-six thousand pounds.

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1 G. ~~[From July 1, 2004 through June 30, 2009]~~ Prior
2 to July 1, 2024, vehicles that are ~~[gasoline-electric]~~ electric
3 vehicles, plug-in hybrid electric vehicles ~~[with a United~~
4 ~~States environmental protection agency fuel economy rating of~~
5 ~~at least twenty-seven and one-half miles per gallon]~~ or hybrid-
6 electric vehicles are eligible for a one-time exemption from
7 the tax at the time of the issuance of the original certificate
8 of title for the vehicle.

9 H. As used in this section:

10 (1) "electric vehicle" means a motor vehicle,
11 a plug-in hybrid electric vehicle or a hybrid-electric vehicle
12 with four wheels that:

13 (a) is made by a manufacturer;

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

16 (c) has not been modified from the
17 original manufacturer specifications;

18 (d) is rated at not less than two
19 thousand two hundred pounds unloaded base weight and not more
20 than eight thousand five hundred pounds unloaded base weight;

21 (e) has a maximum speed capability of at
22 least sixty-five miles per hour; and

23 (f) is propelled to a significant extent
24 by an electric motor that draws electricity from a battery
25 that: 1) has a capacity of not less than four kilowatt-hours;

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1 and 2) is capable of being recharged from an external source of
2 electricity;

3 (2) "hybrid-electric vehicle" means a vehicle
4 that uses both an internal combustion engine and an electric
5 motor and has a battery pack that holds at least four kilowatt-
6 hours; and

7 (3) "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 four
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 when the battery is charged from an
13 external source."

14 SECTION 4. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2019.