

1 SENATE BILL 333

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

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10 AN ACT

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

17  
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

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

22 A. Prior to January 1, 2027, a taxpayer who is not  
23 a dependent of another individual and who purchases or leases a  
24 qualified electric vehicle may apply for, and the department  
25 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 base manufactured suggested  
22 retail price of forty-eight thousand dollars (\$48,000) or less,  
23 before any taxes are 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) is rated at not less than two  
13 thousand two hundred pounds unloaded base weight and not more  
14 than eight thousand five hundred pounds unloaded base weight;

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

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

22 (2) "plug-in hybrid electric vehicle" means a  
23 new vehicle that uses both an internal combustion engine and an  
24 electric motor, has a battery pack that holds at least six  
25 kilowatt-hours and is capable of operation without the use of

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1 the internal combustion engine for an all-electric range of at  
2 least fifteen miles."

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

5 "66-6-23. DISPOSITION OF FEES.--

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

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

13 (a) an amount equal to six dollars  
14 (\$6.00) per driver's license and five dollars (\$5.00) per  
15 identification card or motor vehicle or motorboat registration  
16 or title transaction performed;

17 (b) for each such agent determined by  
18 the secretary pursuant to Section 66-2-16 NMSA 1978 to have  
19 performed ten thousand or more transactions in the preceding  
20 fiscal year, other than a class A county with a population  
21 exceeding three hundred thousand or a municipality with a  
22 population exceeding three hundred thousand that has been  
23 designated as an agent pursuant to Section 66-2-14.1 NMSA 1978,  
24 an amount equal to one dollar (\$1.00) in addition to the amount  
25 distributed pursuant to Subparagraph (a) of this paragraph for

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1 each driver's license, identification card, motor vehicle  
2 registration, motorboat registration or title transaction  
3 performed; and

4 (c) to each military installation  
5 designated as a fee agent pursuant to Section 66-2-14.1 NMSA  
6 1978, an amount equal to one dollar fifty cents (\$1.50) in  
7 addition to the amount distributed pursuant to Subparagraph (a)  
8 of this paragraph for each administrative service fee remitted  
9 by the military installation to the department pursuant to  
10 Subsection A of Section 66-2-16 NMSA 1978;

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

20 (3) to the state road fund:

21 (a) an amount equal to the fees  
22 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA  
23 1978;

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

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

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

9 (e) the amount collected pursuant to  
10 Section 3 of this 2019 act;

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

16 (5) to the department:

17 (a) any amounts reimbursed to the  
18 department pursuant to Subsection D of Section 66-2-14.1 NMSA  
19 1978;

20 (b) an amount equal to two dollars  
21 (\$2.00) of each motorcycle registration fee collected pursuant  
22 to Section 66-6-1 NMSA 1978;

23 (c) an amount equal to the fees provided  
24 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E  
25 of Section 66-2-16 NMSA 1978, Subsections K and L of Section

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1 66-3-6 NMSA 1978 other than the administrative fee, Subsection  
2 C of Section 66-5-44 NMSA 1978 and Subsection B of Section  
3 66-5-408 NMSA 1978;

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

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

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

20 (g) an amount equal to one dollar  
21 twenty-five cents (\$.25) for each administrative fee collected  
22 by the department or any of its agents other than a county or  
23 municipality operating a motor vehicle field office pursuant to  
24 Subsection A of Section 66-2-16 NMSA 1978; and

25 (h) an amount equal to the royalties or

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

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

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

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

23 (9) to the department of transportation, an  
24 amount equal to the fees collected pursuant to Section 66-5-35  
25 NMSA 1978;

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

6                   (11) to the motorcycle training fund, two  
7 dollars (\$2.00) of each motorcycle registration fee collected  
8 pursuant to Section 66-6-1 NMSA 1978;

9                   (12) to the recycling and illegal dumping  
10 fund:

11                               (a) fifty cents (\$.50) of the tire  
12 recycling fee collected pursuant to the provisions of Section  
13 66-6-1 NMSA 1978;

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

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

20                   (13) to the highway infrastructure fund:

21                               (a) fifty cents (\$.50) of the tire  
22 recycling fee collected pursuant to the provisions of Section  
23 66-6-1 NMSA 1978;

24                               (b) one dollar (\$1.00) of each of the  
25 tire recycling fees collected pursuant to the provisions of

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1 Sections 66-6-2 and 66-6-4 NMSA 1978; and

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

5 (14) to each county, an amount equal to fifty  
6 percent of the fees collected pursuant to Section 66-6-19 NMSA  
7 1978 multiplied by a fraction, the numerator of which is the  
8 total mileage of public roads maintained by the county and the  
9 denominator of which is the total mileage of public roads  
10 maintained by all counties in the state;

11 (15) to the litter control and beautification  
12 fund, an amount equal to the fees collected pursuant to Section  
13 66-6-6.2 NMSA 1978;

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

22 (17) to the Cumbres and Toltec scenic railroad  
23 commission, twenty-five dollars (\$25.00) collected pursuant to  
24 the Cumbres and Toltec scenic railroad special registration  
25 plate.

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

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

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

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