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SENATE BILL 393

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

INTRODUCED BY

William P. Soules

AN ACT

RELATING TO TAXATION; IMPOSING A GASOLINE SURTAX; IMPOSING A  
NATURAL GAS PROCESSORS SURTAX; DISTRIBUTING THE REVENUE FROM  
THOSE SURTAXES TO A NEW LOW-INCOME HOME ENERGY ASSISTANCE FUND,  
A NEW FOSSIL FUEL DISPLACED WORKER FUND AND A NEW RENEWABLE  
ENERGY TECHNOLOGY FUND AND TO THE GENERAL FUND; CREATING THE  
CARBON EMISSION INCOME TAX CREDIT; MAKING AN APPROPRIATION.

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

**SECTION 1.** Section 7-1-6.10 NMSA 1978 (being Laws 1983,  
Chapter 211, Section 15, as amended) is amended to read:

"7-1-6.10. DISTRIBUTIONS--STATE ROAD FUND.--

A. A distribution pursuant to Section 7-1-6.1 NMSA  
1978 shall be made to the state road fund in an amount equal to  
the net receipts attributable to the taxes, surcharges,  
penalties and interest imposed pursuant to the Gasoline Tax

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1 Act, except the gasoline surtax, and to the taxes, surtaxes,  
2 fees, penalties and interest imposed pursuant to the Special  
3 Fuels Supplier Tax Act and the Alternative Fuel Tax Act less:

4 (1) the amount distributed to the state  
5 aviation fund pursuant to Subsection B of Section 7-1-6.7 NMSA  
6 1978;

7 (2) the amount distributed to the motorboat  
8 fuel tax fund pursuant to Section 7-1-6.8 NMSA 1978;

9 (3) the amount distributed to municipalities  
10 and counties pursuant to Subsection A of Section 7-1-6.9 NMSA  
11 1978;

12 (4) the amount distributed to the county  
13 government road fund pursuant to Section 7-1-6.19 NMSA 1978;

14 (5) the amount distributed to the local  
15 governments road fund pursuant to Section 7-1-6.39 NMSA 1978;

16 (6) the amount distributed to the  
17 municipalities pursuant to Section 7-1-6.27 NMSA 1978;

18 (7) the amount distributed to the municipal  
19 arterial program of the local governments road fund pursuant to  
20 Section 7-1-6.28 NMSA 1978;

21 (8) the amount distributed to a qualified  
22 tribe pursuant to [~~a gasoline tax sharing agreement entered~~  
23 ~~into between the secretary of transportation and the qualified~~  
24 ~~tribe pursuant to the provisions]~~ Subsection A of Section

25 [~~67-3-8.1~~] 7-1-6.11 NMSA 1978; and

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1 (9) the amount distributed to the general fund  
2 pursuant to Subsection B of Section 7-1-6.44 NMSA 1978.

3 B. A distribution pursuant to Section 7-1-6.1 NMSA  
4 1978 shall be made to the state road fund in an amount equal to  
5 the net receipts attributable to the taxes, interest and  
6 penalties from the Weight Distance Tax Act."

7 SECTION 2. Section 7-1-6.20 NMSA 1978 (being Laws 1985,  
8 Chapter 65, Section 6, as amended) is amended to read:

9 "7-1-6.20. IDENTIFICATION OF MONEY IN EXTRACTION TAXES  
10 SUSPENSE FUND--DISTRIBUTION.--

11 A. Except as provided in Subsection B of this  
12 section, after the necessary disbursements have been made from  
13 the extraction taxes suspense fund, the money remaining in the  
14 suspense fund as of the last day of the month shall be  
15 identified by tax source and distributed or transferred in  
16 accordance with the provisions of Sections 7-1-6.21 through  
17 7-1-6.23 and 7-1-6.61 NMSA 1978 and Section 3 of this [2017]  
18 2019 act. After the necessary distributions and transfers, any  
19 balance, except for remittances unidentified as to source or  
20 disposition, shall be transferred to the general fund.

21 B. Payments on assessments issued by the department  
22 pursuant to the Oil and Gas Conservation Tax Act, the Oil and  
23 Gas Emergency School Tax Act, the Oil and Gas Ad Valorem  
24 Production Tax Act and the Oil and Gas Severance Tax Act shall  
25 be held in the extraction taxes suspense fund until the

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1 secretary determines that there is no substantial risk of  
2 protest or other litigation, whereupon after the necessary  
3 disbursements have been made from the extraction taxes suspense  
4 fund, the money remaining in the suspense fund as of the last  
5 day of the month attributed to these payments shall be  
6 identified by tax source and distributed or transferred in  
7 accordance with the provisions of Sections 7-1-6.21 through  
8 7-1-6.23 and 7-1-6.61 NMSA 1978 and Subsection B of Section 3  
9 of this [~~2017~~] 2019 act. After the necessary distributions and  
10 transfers, any balance, except for remittance unidentified as  
11 to source or disposition, shall be transferred to the general  
12 fund."

13 SECTION 3. A new section of the Tax Administration Act is  
14 enacted to read:

15 "[NEW MATERIAL] DISTRIBUTION--GASOLINE SURTAX AND NATURAL  
16 GAS PROCESSORS SURTAX--LOW-INCOME HOME ENERGY ASSISTANCE FUND,  
17 FOSSIL FUEL DISPLACED WORKER FUND AND RENEWABLE ENERGY  
18 TECHNOLOGY FUND.--

19 A. A distribution pursuant to Section 7-1-6.1 NMSA  
20 1978 shall be made in the following amounts of the net receipts  
21 attributable to the gasoline surtax:

22 (1) fifteen percent to the low-income home  
23 energy assistance fund;

24 (2) ten percent to the fossil fuel displaced  
25 worker fund; and

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1                   (3) fifteen percent to the renewable energy  
2 technology fund.

3                   B. A distribution pursuant to Section 7-1-6.20 NMSA  
4 1978 shall be made in the following amounts of net receipts  
5 attributable to the natural gas processors surtax:

6                   (1) fifteen percent to the low-income home  
7 energy assistance fund;

8                   (2) ten percent to the fossil fuel displaced  
9 worker fund; and

10                   (3) fifteen percent to the renewable energy  
11 technology fund."

12                   SECTION 4. A new section of the Income Tax Act is enacted  
13 to read:

14                   "[NEW MATERIAL] CARBON EMISSION INCOME TAX CREDIT.--

15                   A. A taxpayer who files an individual New Mexico  
16 income tax return and who is not a dependent of another  
17 individual may claim a tax credit against the taxpayer's  
18 liability pursuant to the Income Tax Act. Except as provided  
19 in Subsection D of this section, the tax credit provided by  
20 this section shall be limited to one tax credit per household.  
21 The tax credit provided by this section may be referred to as  
22 the "carbon emission income tax credit".

23                   B. Except as provided in Subsections C and D of  
24 this section, the tax credit provided in this section may be  
25 claimed in the amounts shown in the following table:

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1 Modified gross  
2 income is:

3 % Over	4 But	5 Credit amount for a taxable year				
6 federal	7 not	8 beginning on or after:				
9 poverty	10 over	11 2020	12 2021	13 2022	14 2023	15 2024
16 guidelines						
17 400%	18 500%	19 \$0	20 \$25	21 \$50	22 \$75	23 \$100
24 300%	25 400%	26 50	27 100	28 150	29 200	30 250
31 200%	32 300%	33 100	34 200	35 300	36 400	37 500
38 100%	39 200%	40 125	41 250	42 375	43 500	44 625
45 0%	46 100%	47 150	48 300	49 450	50 600	51 750.

52 C. If a taxpayer's modified gross income is zero or  
53 less, the taxpayer may claim a credit in the amount shown in  
54 the last row of the table.

55 D. A taxpayer may claim an additional amount of tax  
56 credit equal to fifty percent of the amount provided in  
57 Subsection B of this section for each minor child that resides  
58 in the taxpayer's household, up to a maximum of two minor  
59 children.

60 E. The carbon emission income tax credit provided  
61 for in this section may be deducted from the taxpayer's New  
62 Mexico income tax liability for the taxable year. If the  
63 credit exceeds the taxpayer's income tax liability, the excess  
64 shall be refunded to the taxpayer.

65 F. A taxpayer claiming a tax credit pursuant to

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1 this section shall report the amount of the credit to the  
2 department in a manner required by the department.

3 G. The department shall compile an annual report on  
4 the carbon emission income tax credit that shall include the  
5 number of taxpayers approved by the department to receive the  
6 tax credit, the aggregate amount of tax credits approved,  
7 recommendations to adjust the amount of the tax credit to  
8 ensure the tax credit is offsetting the tax burden passed on to  
9 the taxpayer of the gasoline surtax and natural gas processors  
10 surtax and any other information necessary to evaluate the tax  
11 credit. The department shall present the report to the revenue  
12 stabilization and tax policy committee and the legislative  
13 finance committee with an analysis of the cost of the tax  
14 credit and whether it is offsetting the tax burdens passed on  
15 to taxpayers of the gasoline surtax and the natural gas  
16 processors surtax.

17 H. As used in this section:

18 (1) "federal poverty guidelines" means the  
19 level of income defining poverty by family size published  
20 annually in the federal register by the United States  
21 department of health and human services; and

22 (2) "minor child" means a natural or adopted  
23 child who has not reached the child's eighteenth birthday, who  
24 has not been emancipated by marriage or otherwise and who  
25 resides with the taxpayer claiming a carbon emission income tax

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1 credit."

2 SECTION 5. A new section of the Gasoline Tax Act is  
3 enacted to read:

4 "[NEW MATERIAL] GASOLINE SURTAX IMPOSED.--

5 A. The gasoline tax shall be increased by a surtax,  
6 hereby imposed. The surtax shall be imposed at the following  
7 rates:

8 (1) beginning January 1, 2020, and prior to  
9 January 1, 2021, nine cents (\$.09) per gallon received;

10 (2) beginning January 1, 2021, and prior to  
11 January 1, 2022, eighteen cents (\$.18) per gallon received;

12 (3) beginning January 1, 2022, and prior to  
13 January 1, 2023, twenty-seven cents (\$.27) per gallon received;

14 (4) beginning January 1, 2023, and prior to  
15 January 1, 2024, thirty-six cents (\$.36) per gallon received;

16 and

17 (5) beginning January 1, 2024, forty-five  
18 cents (\$.45) per gallon received.

19 B. The surtax imposed pursuant to Subsection A of  
20 this section may be referred to as the "gasoline surtax".

21 SECTION 6. Section 7-13-3.5 NMSA 1978 (being Laws 1997,  
22 Chapter 192, Section 3) is amended to read:

23 "7-13-3.5. BOND REQUIRED OF TAXPAYERS.--

24 A. Except as provided in Subsection H of this  
25 section, every taxpayer shall file with the department a bond

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1 on a form approved by the attorney general with a surety  
2 company authorized by the [~~state corporation~~] public regulation  
3 commission to transact business in this state as a surety and  
4 upon which bond the taxpayer is the principal obligor and the  
5 state the obligee. The bond shall be conditioned upon the  
6 prompt filing of true reports and the payment by the taxpayer  
7 to the department of all taxes levied by the Gasoline Tax Act,  
8 together with all applicable penalties and interest thereon.

9 B. In lieu of the bond, the taxpayer may elect to  
10 file with the department cash or bonds of the United States or  
11 New Mexico or of any political subdivision of the state.

12 C. The total amount of the bond, cash or securities  
13 required of any taxpayer shall be fixed by the department and  
14 may be increased or reduced by the department at any time,  
15 subject to the limitations provided in this section.

16 D. In fixing the total amount of the bond, cash or  
17 securities required of any taxpayer required to post bond, the  
18 department shall require an equivalent in total amount to at  
19 least two times the amount of the department's estimate of the  
20 taxpayer's monthly gasoline tax and gasoline surtax liability,  
21 determined in such manner as the secretary may deem proper;  
22 provided, however, the total amount of bond, cash or securities  
23 required of a taxpayer shall never be less than one thousand  
24 dollars (\$1,000).

25 E. In the event the department decides that the

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1 amount of the existing bond, cash or securities is insufficient  
2 to insure payment to this state of the amount of the gasoline  
3 tax and any penalties and interest for which the taxpayer is or  
4 may at any time become liable, ~~[then]~~ the taxpayer, upon  
5 written demand of the department mailed to the last known  
6 address of the taxpayer as shown on the records of the  
7 department, shall file an additional bond, cash or securities  
8 in the manner, form and amount determined by the department to  
9 be necessary to secure at all times the payment by the taxpayer  
10 of all taxes, penalties and interest due under the Gasoline Tax  
11 Act.

12 F. A surety on a bond furnished by a taxpayer as  
13 required by this section shall be released and discharged from  
14 all liability accruing on the bond after the expiration of  
15 ninety days from the date upon which the surety files with the  
16 department a written request to be released and discharged;  
17 provided, however, that such request shall not operate to  
18 release or discharge the surety from any liability already  
19 accrued or that shall accrue before the expiration of the  
20 ninety-day period, unless a new bond is filed during the  
21 ninety-day period, in which case the previous bond may be  
22 canceled as of the effective date of the new bond. On receipt  
23 of notice of such request, the department promptly shall notify  
24 the taxpayer who furnished the bond that the taxpayer, on or  
25 before the expiration of the ninety-day period, shall file with

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1 the department a new bond with a surety satisfactory to the  
2 department in the amount and form required in this section.

3 G. The taxpayer required to file bond with or  
4 provide cash or securities to the department in accordance with  
5 this section and who is required by another state law to file  
6 another bond with or provide cash or securities to the  
7 department may elect to file a combined bond or provide cash or  
8 securities applicable to the provisions of both this section  
9 and the other law, with the approval of the secretary. The  
10 amount of the combined bond, cash or securities shall be  
11 determined by the department and the form of the combined bond  
12 shall be approved by the attorney general.

13 H. Every taxpayer who, for the twenty-four month  
14 period immediately preceding July 1, 1994, has not been a  
15 delinquent taxpayer pursuant to the Gasoline Tax Act is exempt  
16 from the requirement pursuant to this section to file a bond.  
17 A taxpayer required to file a bond pursuant to the provisions  
18 of this section who, for a twenty-four consecutive month period  
19 ending after July 1, 1994, has not been a delinquent taxpayer  
20 pursuant to the Gasoline Tax Act may request to be exempt from  
21 the requirement to file a bond beginning with the first day of  
22 the first month following the end of the twenty-four month  
23 period. If a taxpayer exempted pursuant to this subsection  
24 subsequently becomes a delinquent taxpayer under the Gasoline  
25 Tax Act, the department may terminate the exemption and require

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1 the filing of a bond in accordance with this section. If the  
2 department terminates the exemption, the termination shall not  
3 be effective any earlier than ten days after the date the  
4 department notifies the taxpayer in writing of the  
5 termination."

6 SECTION 7. Section 7-13-4 NMSA 1978 (being Laws 1991,  
7 Chapter 9, Section 32, as amended) is amended to read:

8 "7-13-4. DEDUCTIONS--GASOLINE TAX.--In computing the  
9 gasoline tax and gasoline surtax due, the following amounts of  
10 gasoline may be deducted from the total amount of gasoline  
11 received in New Mexico during the tax period, provided  
12 satisfactory proof thereof is furnished to the department:

13 A. gasoline received in New Mexico, but exported  
14 from this state by a rack operator, distributor or wholesaler  
15 other than in the fuel supply tank of a motor vehicle or sold  
16 for export by a rack operator or distributor; provided that, in  
17 either case:

18 (1) the person exporting the gasoline is  
19 registered in or licensed by the destination state to pay that  
20 state's gasoline or equivalent fuel tax;

21 (2) proof is submitted that the destination  
22 state's gasoline or equivalent fuel tax has been paid or is not  
23 due with respect to the gasoline; or

24 (3) the destination state's gasoline or  
25 equivalent fuel tax is paid to New Mexico in accordance with

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1 the terms of an agreement entered into pursuant to Section  
2 9-11-12 NMSA 1978 with the destination state;

3 B. gasoline received in New Mexico sold to the  
4 United States or an agency or instrumentality thereof for the  
5 exclusive use of the United States or an agency or  
6 instrumentality thereof. Gasoline sold to the United States  
7 includes gasoline delivered into the supply tank of a  
8 government-licensed vehicle of the United States;

9 C. gasoline received in New Mexico sold to an  
10 Indian nation, tribe or pueblo or a political subdivision,  
11 agency or instrumentality of that Indian nation, tribe or  
12 pueblo for the exclusive use of the Indian nation, tribe or  
13 pueblo or a political subdivision, agency or instrumentality  
14 thereof. Gasoline sold to an Indian nation, tribe or pueblo  
15 includes gasoline delivered into the supply tank of a  
16 government-licensed vehicle of the Indian nation, tribe or  
17 pueblo;

18 D. gasoline received in New Mexico, dyed in  
19 accordance with department regulations and used in a manner  
20 other than for propulsion of motor vehicles on the highways of  
21 this state or motorboats or activities ancillary to that  
22 propulsion;

23 E. gasoline received in New Mexico and sold at  
24 retail by a registered Indian tribal distributor if:

25 (1) the sale occurs on the Indian reservation,

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1 pueblo grant or trust land of the distributor's Indian nation,  
2 tribe or pueblo;

3 (2) the gasoline is placed into the fuel  
4 supply tank of a motor vehicle on that reservation, pueblo  
5 grant or trust land; and

6 (3) the Indian nation, tribe or pueblo has  
7 certified to the department that it has in effect an excise,  
8 privilege or similar tax on the gasoline; provided that the  
9 volume of gasoline deducted pursuant to this subsection shall  
10 be the total gallons sold in accordance with the provisions of  
11 this subsection multiplied by a fraction the numerator of which  
12 is the rate of the tribal tax certified to the department by  
13 the Indian nation, tribe or pueblo and the denominator of which  
14 is the ~~[rate]~~ sum of the rates of the gasoline tax and gasoline  
15 surtax imposed pursuant to the Gasoline Tax Act, but if the  
16 fraction exceeds one, it shall be one for purposes of  
17 determining the deduction;

18 F. gasoline received in New Mexico and sold by a  
19 registered Indian tribal distributor from a nonmobile storage  
20 container located within that distributor's Indian reservation,  
21 pueblo grant or trust land for resale outside that  
22 distributor's Indian reservation, pueblo grant or trust land;  
23 provided the department certifies that the distributor claiming  
24 the deduction sold no less than one million gallons of gasoline  
25 from a nonmobile storage container located within that

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1 distributor's Indian reservation, pueblo grant or trust land  
2 for resale outside that distributor's Indian reservation,  
3 pueblo grant or trust land during the period of May through  
4 August 1998; and provided further that the amount of gasoline  
5 deducted by a registered Indian tribal distributor pursuant to  
6 this subsection shall not exceed two million five hundred  
7 thousand gallons per month, calculated as a monthly average  
8 during the calendar year. Volumes deducted pursuant to  
9 Subsection E of this section shall not be deducted pursuant to  
10 this subsection; and

11 G. gasoline received in New Mexico on which New  
12 Mexico gasoline tax and gasoline surtax was paid by the out-of-  
13 state terminal at which the gasoline was loaded, provided that  
14 documentation that the gasoline was to be imported into New  
15 Mexico was provided to the terminal operator by the person  
16 receiving the fuel."

17 **SECTION 8.** Section 7-13-4.4 NMSA 1978 (being Laws 2000,  
18 Chapter 50, Section 1) is amended to read:

19 "7-13-4.4. ADDITIONAL DEDUCTION--CERTAIN RETAIL SALES ON  
20 AN INDIAN RESERVATION, PUEBLO GRANT OR TRUST LAND.--In  
21 computing the gasoline tax and gasoline surtax due, a person  
22 other than a registered Indian tribal distributor may deduct  
23 from the total amount of gasoline received in New Mexico during  
24 the tax period, provided satisfactory proof is provided to the  
25 department, gasoline received in New Mexico and sold at retail

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1 in New Mexico if:

2 A. the sale occurs on an Indian reservation, pueblo  
3 grant or trust land;

4 B. the gasoline is placed into the fuel supply tank  
5 of a motor vehicle on that reservation, pueblo grant or trust  
6 land;

7 C. the Indian nation, tribe or pueblo has certified  
8 to the department that it has in effect an excise, privilege or  
9 similar tax on gasoline; provided that the gallons of gasoline  
10 deducted pursuant to this section shall be the total gallons  
11 sold in accordance with the provisions of this section  
12 multiplied by a fraction, the numerator of which is the rate of  
13 the tribal tax certified to the department by the Indian  
14 nation, tribe or pueblo and the denominator of which is the  
15 [~~rate~~] sum of the rates of the gasoline tax and gasoline surtax  
16 imposed pursuant to the Gasoline Tax Act, but, if the fraction  
17 exceeds one, the fraction shall be deemed to be one for  
18 purposes of determining the deduction; and

19 D. the person is subject to and in compliance with  
20 the tax on gasoline imposed by the Indian nation, tribe or  
21 pueblo where the sale occurs."

22 SECTION 9. Section 7-13-5 NMSA 1978 (being Laws 1971,  
23 Chapter 207, Section 5, as amended) is amended to read:

24 "7-13-5. TAX RETURNS--PAYMENT OF TAX.--Distributors shall  
25 file [~~gasoline~~] tax returns in form and content as prescribed

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1 by the secretary on or before the twenty-fifth day of the month  
2 following the month in which gasoline is received in New  
3 Mexico. Such returns shall be accompanied by payment of the  
4 amount of gasoline tax and gasoline surtax due. The department  
5 may require that the tax returns be provided through electronic  
6 means as long as an exception is provided for distributors with  
7 limited amounts of fuel distributed."

8 SECTION 10. Section 7-13-12 NMSA 1978 (being Laws 1971,  
9 Chapter 207, Section 11, as amended) is amended to read:

10 "7-13-12. MANIFEST OR BILL OF LADING REQUIRED WHEN  
11 TRANSPORTING GASOLINE.--Every person transporting gasoline from  
12 a refinery or pipeline terminal in this state, importing  
13 gasoline into this state or exporting gasoline from this state,  
14 other than by pipeline or in the fuel supply tanks of motor  
15 vehicles, shall carry a manifest or bill of lading in form and  
16 content as prescribed by or acceptable to the department. The  
17 manifest or bill of lading shall be signed by the consignor and  
18 by every person accepting the gasoline or any part of it, with  
19 a notation as to the amount accepted. If a manifest or bill of  
20 lading is not required to be carried by the terms of this  
21 section, any person transporting gasoline without such a  
22 manifest or bill of lading shall, upon demand, furnish proof  
23 acceptable to the department that the gasoline so transported  
24 was legally acquired by a registered distributor who assumed  
25 liability for payment of the [~~tax~~] taxes imposed by the

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1 Gasoline Tax Act."

2 SECTION 11. Section 7-13-17 NMSA 1978 (being Laws 1998,  
3 Chapter 44, Section 2) is amended to read:

4 "7-13-17. PERMIT TO PURCHASE UNDYED GASOLINE FOR CERTAIN  
5 OFF-ROAD USE AND TO CLAIM REFUND OF [~~TAX~~] TAXES.--

6 A. Any person using gasoline in the operation of a  
7 clothes cleaning establishment, in stoves or in other  
8 appliances burning gasoline, or operators of aircraft using  
9 aviation gasoline exclusively in the operation of aircraft,  
10 upon proper showing of the permit provided for in this section,  
11 may purchase gasoline to which dye has not been added and may  
12 claim a refund thereon under the provisions of this section.

13 B. Upon submission of proof satisfactory to the  
14 department that the requirements of this subsection have been  
15 met, the department shall allow a claim for refund of gasoline  
16 tax and gasoline surtax paid on gasoline purchased and used in  
17 the manner described in Subsection A of this section by holders  
18 of permits issued under this section. The individual purchases  
19 of gasoline, other than that used for aviation fuel, must have  
20 been made in quantities of fifty gallons or more. Purchasers  
21 of aviation fuel may accumulate invoices to reach the fifty  
22 gallon minimum. No claim for refund may be presented or  
23 allowed on less than one hundred gallons so purchased. The  
24 secretary may prescribe by regulation or instruction the  
25 documents necessary to support a claim for refund made pursuant

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1 to the provisions of this subsection.

2 C. The department shall create permits, in form and  
3 content as the secretary may prescribe, that will allow persons  
4 to purchase gasoline to which dye has not been added for the  
5 uses specified in Subsection A of this section. The secretary  
6 shall prescribe the method by which a person may apply for a  
7 permit.

8 D. The secretary, upon notice and after hearing,  
9 may suspend for a period of up to one year or revoke the  
10 [~~gasoline tax~~] refund permit of any person who makes any false  
11 statement on an application for a permit or on a claim for  
12 refund made pursuant to the provisions of this section, who  
13 uses the gasoline in a motor boat or in a vehicle registered to  
14 operate on the highways of this state or who violates any other  
15 provision of the Gasoline Tax Act."

16 SECTION 12. Section 7-13-18 NMSA 1978 (being Laws 1998,  
17 Chapter 44, Section 3) is amended to read:

18 "7-13-18. DYED GASOLINE--PERMISSIBLE USES--PENALTIES FOR  
19 MISUSE.--

20 A. Gasoline distributors and wholesalers who are  
21 registered as distributors or wholesalers with the department  
22 may sell gasoline to be used other than in motor boats or in  
23 vehicles licensed to operate on the highways. These  
24 distributors and wholesalers shall mix with the gasoline an  
25 identifying dye in a manner consistent with state and federal

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1 law and regulations. The department shall furnish without  
2 charge the dye upon request. Such dyed gasoline may not be  
3 used in motor boats or in vehicles registered to be operated  
4 upon the highways of this state.

5 B. Any person who uses dyed gasoline in a motor  
6 boat or in a vehicle registered to be operated upon the  
7 highways of this state is liable for a civil penalty for each  
8 occurrence in an amount equal to the greater of one hundred  
9 dollars (\$100) or the ~~[rate]~~ sum of the rates of the gasoline  
10 tax and gasoline surtax multiplied by the capacity in gallons  
11 of the fuel supply tank or tanks of the motor boat or vehicle."

12 SECTION 13. A new section of the Natural Gas Processors  
13 Tax Act is enacted to read:

14 "[NEW MATERIAL] SURTAX IMPOSED.--

15 A. The natural gas processors tax shall be  
16 increased by a surtax, hereby imposed. The surtax shall be  
17 imposed at the following rates:

18 (1) beginning January 1, 2020, and prior to  
19 January 1, 2021, sixty cents (\$0.60) per mmbtu;

20 (2) beginning January 1, 2021, and prior to  
21 January 1, 2022, one dollar twenty cents (\$1.20) per mmbtu;

22 (3) beginning January 1, 2022, and prior to  
23 January 1, 2023, one dollar eighty cents (\$1.80) per mmbtu;

24 (4) beginning January 1, 2023, and prior to  
25 January 1, 2024, two dollars forty cents (\$2.40) per mmbtu; and

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1 (5) beginning January 1, 2024, three dollars  
2 (\$3.00) per mmbtu.

3 B. A processor may deduct from the amount of mmbtus  
4 of natural gas subject to the natural gas processors surtax the  
5 mmbtus of natural gas that are:

6 (1) used for natural gas processing by the  
7 processor;

8 (2) returned to the lease from which it is  
9 produced;

10 (3) legally flared by the processor;

11 (4) lost as a result of natural gas processing  
12 plant malfunctions or other incidences of force majeure; or

13 (5) exported and maintained outside the  
14 borders of the state.

15 C. The surtax imposed pursuant to Subsection A of  
16 this section may be referred to as the "natural gas processors  
17 surtax."

18 SECTION 14. Section 7-33-6 NMSA 1978 (being Laws 1963,  
19 Chapter 179, Section 6, as amended) is amended to read:

20 "7-33-6. REFUND.--Any person who has overpaid the [~~tax~~]  
21 taxes imposed pursuant to the Natural Gas Processors Tax Act  
22 may apply for a refund of that overpayment in accordance with  
23 the provisions of Section 7-1-26 NMSA 1978."

24 SECTION 15. Section 7-33-7 NMSA 1978 (being Laws 1963,  
25 Chapter 179, Section 7, as amended) is amended to read:

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1           "7-33-7. NATURAL GAS ON WHICH [~~TAX HAS~~] TAXES HAVE BEEN  
2 LEVIED--REGULATION BY DEPARTMENT.--The [~~tax~~] taxes imposed  
3 pursuant to the Natural Gas Processors Tax Act shall not be  
4 levied more than once on the same natural gas. Reporting of  
5 natural gas on which the [~~tax has~~] taxes have been paid is  
6 subject to the regulation of the department."

7           **SECTION 16. [NEW MATERIAL] LOW-INCOME HOME ENERGY**  
8 ASSISTANCE FUND.--

9           A. The "low-income home energy assistance fund" is  
10 created in the state treasury. The fund consists of money  
11 appropriated to the fund, income from investment in the fund  
12 and money otherwise accruing to the fund. Money in the fund  
13 shall not revert or be transferred to any other fund at the end  
14 of a fiscal year.

15           B. The human services department shall administer  
16 the fund, and money in the fund is subject to appropriation by  
17 the legislature to that department to support the low-income  
18 home energy assistance program and weatherization assistance.

19           C. Expenditures from the fund shall be made on  
20 warrant of the secretary of finance and administration pursuant  
21 to vouchers signed by the secretary of human services.

22           **SECTION 17. [NEW MATERIAL] FOSSIL FUEL DISPLACED WORKER**  
23 FUND.--

24           A. The "fossil fuel displaced worker fund" is  
25 created in the state treasury. The fund consists of money

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1 appropriated to the fund, income from investment in the fund  
2 and money otherwise accruing to the fund. Money in the fund  
3 shall not revert or be transferred to any other fund at the end  
4 of a fiscal year.

5 B. The workforce solutions department shall  
6 administer the fund, and money in the fund is subject to  
7 appropriation by the legislature to that department to support  
8 job training for individuals residing in communities  
9 experiencing job losses due to workforce reductions related to  
10 decreases in the extraction or utilization of fossil fuels.

11 C. Expenditures from the fund shall be made on  
12 warrant of the secretary of finance and administration pursuant  
13 to vouchers signed by the secretary of workforce solutions.

14 SECTION 18. [NEW MATERIAL] RENEWABLE ENERGY TECHNOLOGY  
15 FUND.--

16 A. The "renewable energy technology fund" is  
17 created in the state treasury. The fund consists of money  
18 appropriated to the fund, income from investment in the fund  
19 and money otherwise accruing to the fund. Money in the fund  
20 shall not revert or be transferred to any other fund at the end  
21 of a fiscal year.

22 B. The energy, minerals and natural resources  
23 department shall administer the fund, and money in the fund is  
24 subject to appropriation by the legislature to that department  
25 to support programs that promote renewable energy technology

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1 and public education regarding climate change.

2 C. Expenditures from the fund shall be made on  
3 warrant of the secretary of finance and administration pursuant  
4 to vouchers signed by the secretary of energy, minerals and  
5 natural resources.

6 SECTION 19. APPLICABILITY.--The provisions of Section 4  
7 of this act apply to taxable years beginning on or after  
8 January 1, 2020.

9 SECTION 20. EFFECTIVE DATE.--The effective date of the  
10 provisions of this act is July 1, 2020.