

HOUSE FLOOR SUBSTITUTE FOR  
HOUSE BILL 217

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

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 PLUG-IN HYBRID ELECTRIC  
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. A taxpayer who is a resident, who is not a  
dependent of another individual and who, beginning on the  
effective date of this section and prior to January 1, 2025,  
purchases an electric vehicle or enters into a new lease of at

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1 least three years for an electric vehicle, may claim a credit  
2 against the taxpayer's tax liability imposed pursuant to the  
3 Income Tax Act in an amount provided in Subsection B of this  
4 section. The tax credit provided by this section may be  
5 referred to as the "electric vehicle income tax credit".

6 B. The electric vehicle income tax credit shall be  
7 in an amount equal to two thousand five hundred dollars  
8 (\$2,500), except that a taxpayer who meets the following  
9 requirements shall be allowed a credit in an amount equal to  
10 five thousand dollars (\$5,000):

11 (1) a taxpayer who files as a single  
12 individual with an adjusted gross income of fifty thousand  
13 dollars (\$50,000) or less for the taxable year prior to the  
14 calendar year in which the electric vehicle was purchased or  
15 the lease was entered into;

16 (2) a taxpayer who files as a married  
17 individual filing a separate return with an adjusted gross  
18 income of thirty-seven thousand five hundred dollars (\$37,500)  
19 or less for the taxable year prior to the calendar year in  
20 which the electric vehicle was purchased or the lease was  
21 entered into; or

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 for

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1 the taxable year prior to the calendar year in which the  
2 electric vehicle was purchased or the lease was entered into.

3 C. A taxpayer shall apply for certification of  
4 eligibility for the electric vehicle income tax credit from the  
5 department on forms and in the manner prescribed by the  
6 department. Except as provided in Subsection G of this  
7 section, only one claim for an electric vehicle income tax  
8 credit shall be allowed for each electric vehicle purchased or  
9 leased. The aggregate amount of electric vehicle income tax  
10 credits that may be certified as eligible in any calendar year  
11 is ten million dollars (\$10,000,000). Completed applications  
12 shall be considered in the order received. Applications for  
13 certification received after this limitation has been met in a  
14 calendar year shall not be approved. The application shall  
15 include proof of the electric vehicle's registration, or the  
16 contract for any lease if the taxpayer is leasing the electric  
17 vehicle, the taxpayer's return for the taxable year prior to  
18 the calendar year in which the electric vehicle was purchased  
19 or the lease was entered into and any additional information  
20 that the department may require to determine eligibility for  
21 the credit. The department shall issue a dated certificate of  
22 eligibility to the taxpayer providing the amount of the  
23 electric vehicle income tax credit for which the taxpayer is  
24 eligible and the taxable year in which the credit may be  
25 claimed.

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1           D. Applications for certification of an electric  
2 vehicle income tax credit shall be made no later than one  
3 calendar year from the date in which the electric vehicle is  
4 purchased or the lease is entered into.

5           E. That portion of an approved electric vehicle  
6 income tax credit claimed by a taxpayer that exceeds the  
7 taxpayer's income tax liability in the taxable year in which an  
8 electric vehicle income tax credit is claimed shall be refunded  
9 to the taxpayer.

10          F. A taxpayer shall submit to the department  
11 information required by the department with respect to the  
12 purchase or lease of an electric vehicle by the taxpayer during  
13 the taxable year for which the electric vehicle income tax  
14 credit is claimed.

15          G. Married individuals filing separate returns for  
16 a taxable year for which they could have filed a joint return  
17 may each claim only one-half of the electric vehicle income tax  
18 credit that would have been claimed on a joint return.

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

23          I. The department shall compile an annual report on  
24 the electric vehicle income tax credit that shall include the  
25 number of taxpayers approved by the department to receive the

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

7 J. As used in this section:

8 (1) "electric vehicle" means a new motor  
9 vehicle that derives all or part of the vehicle's power from  
10 electricity stored in a battery that:

11 (a) has a capacity of not less than six  
12 kilowatt-hours;

13 (b) is capable of powering the vehicle  
14 for a range of at least fifteen miles; and

15 (c) is capable of being recharged from  
16 an external source of electricity; and

17 (2) "motor vehicle" means a vehicle with four  
18 wheels that:

19 (a) is required under the Motor Vehicle  
20 Code to be registered in this state;

21 (b) is made by a manufacturer;

22 (c) has a base manufacturer suggested  
23 retail price, before options and destination charges, of  
24 forty-eight thousand dollars (\$48,000) or less, before any  
25 taxes are imposed;

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1 (d) is manufactured primarily for use on  
2 public streets, roads or highways;

3 (e) has not been modified from the  
4 original manufacturer specifications;

5 (f) is rated at not less than two  
6 thousand two hundred pounds unloaded base weight and not more  
7 than nine thousand five hundred pounds unloaded base weight;  
8 and

9 (g) has a maximum speed capability of at  
10 least sixty-five miles per hour."

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

13 "[NEW MATERIAL] ELECTRIC VEHICLE CHARGING UNIT INCOME TAX  
14 CREDIT.--

15 A. For taxable years beginning prior to January 1,  
16 2025, a taxpayer who is a resident, who is not a dependent of  
17 another individual and who purchases and installs an electric  
18 vehicle charging unit may claim a credit against the taxpayer's  
19 tax liability imposed pursuant to the Income Tax Act. The tax  
20 credit provided by this section may be referred to as the  
21 "electric vehicle charging unit income tax credit".

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

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1 C. A taxpayer shall apply for certification of  
2 eligibility for the electric vehicle charging unit income tax  
3 credit from the department on forms and in the manner  
4 prescribed by the department. The aggregate amount of electric  
5 vehicle charging unit income tax credits that may be certified  
6 as eligible in any calendar year is one million dollars  
7 (\$1,000,000). Completed applications shall be considered in  
8 the order received. Applications for certification received  
9 after this limitation has been met in a calendar year shall not  
10 be approved. The application shall include a receipt for the  
11 purchase of the electric vehicle charging unit, a copy of the  
12 data sheet that specifies the connector type, plug type,  
13 voltage and current of the electric vehicle charging unit and  
14 any additional information that the department may require to  
15 determine eligibility for the credit. The department shall  
16 issue a dated certificate of eligibility to the taxpayer  
17 providing the amount of the electric vehicle charging unit  
18 income tax credit for which the taxpayer is eligible and the  
19 taxable year in which the credit may be claimed.

20 D. Applications for certification of an electric  
21 vehicle charging unit income tax credit shall be made no later  
22 than one calendar year from the date in which the electric  
23 vehicle charging unit for which the credit is claimed is  
24 purchased and installed.

25 E. That portion of an electric vehicle charging

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1 unit income tax credit that exceeds a taxpayer's income tax  
2 liability in the taxable year in which an electric vehicle  
3 charging unit income tax credit is claimed shall be refunded to  
4 the taxpayer.

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

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

20 H. A taxpayer allowed a tax credit pursuant to this  
21 section shall report the amount of the tax credit to the  
22 department in a manner required by the department.

23 I. The department shall compile an annual report on  
24 the electric vehicle charging unit income tax credit that shall  
25 include the number of taxpayers approved by the department to

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1 receive the tax credit, the aggregate amount of tax credits  
2 approved and any other information necessary to evaluate the  
3 effectiveness of the tax credit. The department shall present  
4 the annual report to the revenue stabilization and tax policy  
5 committee and the legislative finance committee with an  
6 analysis of the effectiveness and cost of the tax credit and  
7 whether the tax credit is performing the purpose for which it  
8 was created.

9 J. As used in this section:

10 (1) "electric vehicle" means a motor vehicle  
11 subject to the registration fee pursuant to Section 66-6-2 or  
12 66-6-4 NMSA 1978 that derives all or part of the vehicle's  
13 power from electricity stored in a battery that:

14 (a) has a capacity of not less than six  
15 kilowatt-hours;

16 (b) is capable of powering the vehicle  
17 for a range of at least fifteen miles; and

18 (c) is capable of being recharged from  
19 an external source of electricity; and

20 (2) "electric vehicle charging unit" means a  
21 device that:

22 (a) is used to provide electricity to an  
23 electric vehicle;

24 (b) is designed to create a connection  
25 between an electricity source and the electric vehicle;

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

4 (d) is installed on residential property  
5 located in the state."

6 SECTION 3. A new section of the Motor Vehicle Code is  
7 enacted to read:

8 "[NEW MATERIAL] ADDITIONAL REGISTRATION FEE--ELECTRIC AND  
9 PLUG-IN HYBRID ELECTRIC VEHICLES.--

10 A. For registration of vehicles subject to the  
11 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA  
12 1978, there is imposed an additional annual fee of fifty  
13 dollars (\$50.00) for which an electric vehicle with a gross  
14 vehicle weight of twenty-six thousand pounds or less is  
15 registered.

16 B. For registration of vehicles subject to the  
17 registration fees imposed by Sections 66-6-2 and 66-6-4 NMSA  
18 1978, there is imposed an additional annual fee of twenty  
19 dollars (\$20.00) for which a plug-in hybrid electric vehicle  
20 with a gross vehicle weight of twenty-six thousand pounds or  
21 less is registered.

22 C. All fees collected pursuant to this section  
23 shall be paid to the state treasurer to the credit of the motor  
24 vehicle suspense fund with distribution in accordance with  
25 Section 66-6-23 NMSA 1978.

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1 D. As used in this section:

2 (1) "electric vehicle" means a motor vehicle  
3 that derives all of the vehicle's power from electricity stored  
4 in a battery that:

5 (a) has a capacity of not less than six  
6 kilowatt-hours;

7 (b) is capable of powering the vehicle  
8 for a range of at least fifteen miles; and

9 (c) is capable of being recharged from  
10 an external source of electricity; and

11 (2) "plug-in hybrid electric vehicle" means a  
12 motor vehicle that derives part of the vehicle's power from  
13 electricity stored in a battery that:

14 (a) has a capacity of not less than six  
15 kilowatt-hours;

16 (b) is capable of powering the vehicle  
17 for a range of at least fifteen miles; and

18 (c) is capable of being recharged from  
19 an external source of electricity."

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

22 "66-6-23. DISPOSITION OF FEES.--

23 A. After the necessary disbursements for refunds  
24 and other purposes have been made, the money remaining in the  
25 motor vehicle suspense fund, except for remittances received

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1 within the previous two months that are unidentified as to  
2 source or disposition, shall be distributed as follows:

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

5 (a) an amount equal to six dollars  
6 (\$6.00) per driver's license and five dollars (\$5.00) per  
7 identification card or motor vehicle or motorboat registration  
8 or title transaction performed;

9 (b) for each such agent determined by  
10 the secretary pursuant to Section 66-2-16 NMSA 1978 to have  
11 performed ten thousand or more transactions in the preceding  
12 fiscal year, other than a class A county with a population  
13 exceeding three hundred thousand or a municipality with a  
14 population exceeding three hundred thousand that has been  
15 designated as an agent pursuant to Section 66-2-14.1 NMSA 1978,  
16 an amount equal to one dollar (\$1.00) in addition to the amount  
17 distributed pursuant to Subparagraph (a) of this paragraph for  
18 each driver's license, identification card, motor vehicle  
19 registration, motorboat registration or title transaction  
20 performed; and

21 (c) to each military installation  
22 designated as a fee agent pursuant to Section 66-2-14.1 NMSA  
23 1978, an amount equal to one dollar fifty cents (\$1.50) in  
24 addition to the amount distributed pursuant to Subparagraph (a)  
25 of this paragraph for each administrative service fee remitted

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1 by the military installation to the department pursuant to  
 2 Subsection A of Section 66-2-16 NMSA 1978;

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

12 (3) to the state road fund:

13 (a) an amount equal to the fees  
 14 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA  
 15 1978;

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

18 (c) the remainder of each driver's  
 19 license fee collected by the department employees from an  
 20 applicant to whom a license is granted after deducting from the  
 21 driver's license fee the amount of the distribution authorized  
 22 in Paragraph (1) of this subsection with respect to that  
 23 collected driver's license fee; ~~and~~

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

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1                                   (e) the amount of the fees collected  
2 pursuant to Section 3 of this 2020 act;

3                                   (4) to the local governments road fund, the  
4 amount of the fees collected pursuant to Subsection B of  
5 Section 66-5-33.1 NMSA 1978 and the remainder of the fees  
6 collected pursuant to Subsection A of Section 66-5-408 NMSA  
7 1978;

8                                   (5) to the department:

9                                   (a) any amounts reimbursed to the  
10 department pursuant to Subsection D of Section 66-2-14.1 NMSA  
11 1978;

12                                  (b) an amount equal to two dollars  
13 (\$2.00) of each motorcycle registration fee collected pursuant  
14 to Section 66-6-1 NMSA 1978;

15                                  (c) an amount equal to the fees provided  
16 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E  
17 of Section 66-2-16 NMSA 1978, Subsections K and L of Section  
18 66-3-6 NMSA 1978 other than the administrative fee, Subsection  
19 C of Section 66-5-44 NMSA 1978 and Subsection B of Section  
20 66-5-408 NMSA 1978;

21                                  (d) the amounts due to the department  
22 for the manufacture and issuance of a special registration  
23 plate collected pursuant to the section of law authorizing the  
24 issuance of the specialty plate;

25                                  (e) an amount equal to the registration

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1 fees collected pursuant to Section 66-6-6.1 NMSA 1978 for the  
 2 purposes of enforcing the provisions of the Mandatory Financial  
 3 Responsibility Act and for creating and maintaining a  
 4 multilanguage noncommercial driver's license testing program;  
 5 and after those purposes are met, the balance of the  
 6 registration fees shall be distributed to the department to  
 7 defray the costs of operating the [~~motor vehicle~~] division;

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

12 (g) an amount equal to one dollar  
 13 twenty-five cents (\$1.25) for each administrative fee collected  
 14 by the department or any of its agents other than a county or  
 15 municipality operating a motor vehicle field office pursuant to  
 16 Subsection A of Section 66-2-16 NMSA 1978; and

17 (h) an amount equal to the royalties or  
 18 other consideration paid by commercial users of databases of  
 19 motor vehicle-related records of the department pursuant to  
 20 Subsection C of Section 14-3-15.1 NMSA 1978 for the purpose of  
 21 defraying the costs of maintaining databases of motor vehicle-  
 22 related records of the department; and after that purpose is  
 23 met, the balance of the royalties and other consideration shall  
 24 be distributed to the department to defray the costs of  
 25 operating the [~~motor vehicle~~] division or for use pursuant to

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1 Subsection F of Section 66-6-13 NMSA 1978;

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

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

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

15 (9) to the department of transportation, an  
16 amount equal to the fees collected pursuant to Section 66-5-35  
17 NMSA 1978;

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

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

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1 (12) to the recycling and illegal dumping  
2 fund:

3 (a) fifty cents (\$.50) of the tire  
4 recycling fee collected pursuant to the provisions of Section  
5 66-6-1 NMSA 1978;

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

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

12 (13) to the highway infrastructure fund:

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

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

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

22 (14) to each county, an amount equal to fifty  
23 percent of the fees collected pursuant to Section 66-6-19 NMSA  
24 1978 multiplied by a fraction, the numerator of which is the  
25 total mileage of public roads maintained by the county and the

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1 denominator of which is the total mileage of public roads  
2 maintained by all counties in the state;

3 (15) to the litter control and beautification  
4 fund, an amount equal to the fees collected pursuant to Section  
5 66-6-6.2 NMSA 1978;

6 (16) to the local government division of the  
7 department of finance and administration, an amount equal to  
8 the fees collected pursuant to Section 66-3-424.3 NMSA 1978 for  
9 distribution to each county to support animal control spaying  
10 and neutering programs in an amount proportionate to the number  
11 of residents of that county who have purchased pet care special  
12 registration plates pursuant to Section 66-3-424.3 NMSA 1978;  
13 and

14 (17) to the Cumbres and Toltec scenic railroad  
15 commission, twenty-five dollars (\$25.00) collected pursuant to  
16 the Cumbres and Toltec scenic railroad special registration  
17 plate.

18 B. The balance, exclusive of unidentified  
19 remittances, shall be distributed in accordance with Section  
20 66-6-23.1 NMSA 1978.

21 C. If any of the paragraphs, subsections or  
22 sections referred to in Subsection A of this section are  
23 recompiled or otherwise redesignated without a corresponding  
24 change to Subsection A of this section, the reference in  
25 Subsection A of this section shall be construed to be the

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1 recomplied or redesignated paragraph, subsection or section."

2 SECTION 5. APPLICABILITY.--The provisions of Sections 1  
3 and 2 of this act apply to taxable years beginning on or after  
4 January 1, 2020.

5 SECTION 6. EFFECTIVE DATE.--The effective date of the  
6 provisions of Sections 3 and 4 of this act is January 1, 2021.

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