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ordinary course of business and for the consumption of tobacco products in New Mexico, there is imposed an excise tax at the [rate of twenty-five percent of the product value of the tobacco products

~~B. For the manufacture or acquisition of] following rates:~~

~~(1) for cigars, [in New Mexico to be distributed in the ordinary course of business and for the consumption of cigars in New Mexico, there is imposed an excise tax at a rate equal to] twenty-five percent of the product value of the cigar; [not to exceed fifty cents (\$.50) per cigar~~

~~C. For the manufacture or acquisition of]~~

~~(2) for little cigars, [in New Mexico to be distributed in the ordinary course of business and for the consumption of little cigars in New Mexico, there is imposed an excise tax at] a rate equal to the rate imposed on cigarettes pursuant to Section 7-12-3 NMSA 1978 per package of little cigars;~~

~~[D. For the manufacture or acquisition of]~~

~~(3) for e-liquid, [in New Mexico to be distributed in the ordinary course of business and for the consumption of e-liquid in New Mexico, there is imposed an excise tax at a rate equal to twelve and one-half percent of the product value] thirty-one percent of the wholesale price of the e-liquid;~~

~~[E. For the manufacture or acquisition of]~~

~~(4) for e-cigarettes and closed system cartridges, [in New Mexico to be distributed in the ordinary course of business, there is imposed an excise tax at a rate of fifty cents (\$.50) per] thirty-one percent of the wholesale price of each e-cigarette and closed system cartridge; and~~

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(5) for all other tobacco products, twenty-five percent of the product value of the tobacco product.

~~[H.]~~ B. The taxes imposed by this section may be referred to as the "tobacco products tax".

~~[H.]~~ C. The tobacco products tax shall be paid by the first purchaser on or before the twenty-fifth day of the month following the month in which the taxable event occurs."

SECTION 40. Section 7-14-10 NMSA 1978 (being Laws 1988, Chapter 73, Section 20, as amended) is amended to read:

"7-14-10. DISTRIBUTION OF PROCEEDS.--

A. The receipts from the tax and any associated interest and penalties shall be deposited in the "motor vehicle suspense fund", hereby created in the state treasury. As of the end of each month, the net receipts attributable to the tax and associated penalties and interest shall be distributed as follows:

~~[A. fifty-nine and thirty-nine hundredths]~~

(1) prior to July 1, 2024:

(a) fifty-three and fourteen-hundredths percent to the general fund;

~~[B.]~~ (b) twenty-one and eighty-six hundredths percent to the state road fund; and

~~[C. eighteen and seventy-five hundredths]~~

(c) twenty-five percent to the transportation project fund;

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(2) beginning July 1, 2024 and prior to July 1, 2025:

(a) thirty-two and one-half percent to the general fund;

(b) forty-eight and three-fourths percent to the state road fund; and

(c) eighteen and three-fourths percent to the transportation project fund;

(3) beginning July 1, 2025, except as provided in Paragraph (4) of this subsection:

(a) seventy-five percent to the state road fund;
and

(b) twenty-five percent to the transportation project fund; and

(4) if, for any single fiscal year occurring after fiscal year 2025 and prior to fiscal year 2045, gross receipts tax revenues are less than ninety-five percent of the gross receipts tax revenues for the previous fiscal year, as determined by the secretary of finance and administration, beginning on the July 1 following the determination made by the secretary of finance and administration:

(a) fifty-three and fourteen-hundredths percent to the general fund;

(b) twenty-one and eighty-six hundredths percent to the state road fund; and

(c) twenty-five percent to the transportation project fund.

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