

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 75

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

AN ACT

RELATING TO AVIATION; MAKING GROSS RECEIPTS AND COMPENSATING
TAX DEDUCTIONS PERTAINING TO CERTAIN FUEL APPLICABLE ONLY TO
THAT FUEL SOLD TO COMMERCIAL AVIATION OPERATORS; ELIMINATING
TIME LIMITATIONS ON THE DEDUCTIONS; REQUIRING THAT CERTAIN
AVIATION DIVISION COLLECTIONS REVERT TO THE STATE AVIATION
FUND; CREATING REPORTING REQUIREMENTS; PROVIDING DISTRIBUTIONS
TO THE STATE AVIATION FUND; MAKING AN APPROPRIATION.

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

Section 1. Section 7-1-6.7 NMSA 1978 (being Laws 1994,
Chapter 5, Section 2, as amended) is amended to read:

"7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

A. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the state aviation fund in an amount
equal to four and seventy-nine hundredths percent of the
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underscored material = new
[bracketed material] = delete

1 taxable gross receipts attributable to the sale of fuel
2 specially prepared and sold to commercial aviation operators
3 for use in turboprop or jet-type engines as determined by the
4 department.

5 B. A monthly distribution pursuant to Section
6 7-1-6.1 NMSA 1978 shall be made to the state aviation fund in
7 an amount equal to three and seven hundred seventy-five
8 thousandths percent of the taxable gross receipts attributable
9 to the sale of fuel specially prepared and sold to persons or
10 entities that are not commercial aviation operators for use in
11 turboprop or jet-type engines as determined by the department.

12 [~~B.~~] C. A distribution pursuant to Section 7-1-6.1
13 NMSA 1978 shall be made to the state aviation fund in an amount
14 equal to twenty-six hundredths percent of gasoline taxes,
15 exclusive of penalties and interest, collected pursuant to the
16 Gasoline Tax Act.

17 [~~C.~~] D. From July 1, 2002 through June 30, 2007, a
18 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
19 made to the state aviation fund in an amount equal to forty-six
20 thousandths percent of the net receipts attributable to the
21 gross receipts tax distributable to the general fund.

22 E. A distribution pursuant to Section 7-1-6.1 NMSA
23 1978 shall be made to the state aviation fund from the net
24 receipts attributable to the gross receipts tax imposed by the
25 Gross Receipts and Compensating Tax Act in an amount equal to:

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- 1 (1) twenty thousand five hundred dollars
2 (\$20,500) monthly from July 1, 2005 through June 30, 2006;
3 (2) seventy thousand dollars (\$70,000) monthly
4 from July 1, 2006 through June 30, 2007; and
5 (3) two hundred fifty thousand dollars
6 (\$250,000) monthly after July 1, 2007.

7 F. For the purposes of this section, "commercial
8 aviation operator" means a person or entity that, for
9 compensation or hire, engages in the carriage by aircraft in
10 air commerce of persons or property in accordance with part 121
11 and scheduled air operations pursuant to part 135 of Title 14
12 of the Code of Federal Regulations."

13 Section 2. Section 7-9-83 NMSA 1978 (being Laws 1993,
14 Chapter 364, Section 1, as amended) is amended to read:

15 "7-9-83. DEDUCTION--GROSS RECEIPTS TAX--JET FUEL.--

16 A. [~~From July 1, 2003 through June 30, 2007~~] Fifty-
17 five percent of the receipts from the sale of fuel specially
18 prepared and sold to commercial aviation operators for use in
19 turboprop or jet-type engines as determined by the department
20 may be deducted from gross receipts.

21 B. [~~After June 30, 2007, forty percent of the~~
22 ~~receipts from the sale of fuel specially prepared and sold for~~
23 ~~use in turboprop or jet-type engines as determined by the~~
24 ~~department may be deducted from gross receipts.] For the
25 purposes of this section, "commercial aviation operator" means~~

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1 a person or entity that, for compensation or hire, engages in
2 the carriage by aircraft in air commerce of persons or property
3 in accordance with part 121 and scheduled air operations
4 pursuant to part 135 of Title 14 of the Code of Federal
5 Regulations. "

6 Section 3. Section 7-9-84 NMSA 1978 (being Laws 1993,
7 Chapter 364, Section 2, as amended) is amended to read:

8 "7-9-84. DEDUCTION--COMPENSATING TAX--JET FUEL. --

9 A. [~~From July 1, 2003 through June 30, 2007~~] Fifty-
10 five percent of the value of the fuel specially prepared and
11 sold to commercial aviation operators for use in turboprop or
12 jet-type engines as determined by the department may be
13 deducted in computing the compensating tax due.

14 B. [~~After June 30, 2007, forty percent of the value~~
15 ~~of the fuel specially prepared and sold for use in turboprop or~~
16 ~~jet-type engines as determined by the department may be~~
17 ~~deducted in computing the compensating tax due.~~] For the
18 purposes of this section, "commercial aviation operator" means
19 a person or entity that, for compensation or hire, engages in
20 the carriage by aircraft in air commerce of persons or property
21 in accordance with part 121 and scheduled air operations
22 pursuant to part 135 of Title 14 of the Code of Federal
23 Regulations. "

24 Section 4. Section 64-1-15 NMSA 1978 (being Laws 1963,
25 Chapter 314, Section 7, as amended) is amended to read:

1 "64-1-15. EARMARKED TAXES--APPROPRIATION. --

2 A. There is created in the state treasury the
 3 "state aviation fund". [~~The state treasurer shall credit to~~
 4 ~~the state aviation fund all unrefunded taxes collected on the~~
 5 ~~sale of motor fuel sold for use in aircraft.~~] All income to
 6 the state aviation fund is appropriated to the division.

7 B. Except for the amount distributed pursuant to
 8 Subsection D of Section 7-1-6.7 NMSA 1978, the amounts
 9 distributed to the state aviation fund pursuant to [~~Subsection~~
 10 ~~A of~~] Section 7-1-6.7 NMSA 1978 shall be used for planning,
 11 construction and maintenance of a system of airports,
 12 navigation aids and related facilities serving New Mexico and
 13 for administrative costs of the division. The amounts
 14 distributed to the state aviation fund pursuant to Subsection
 15 [~~E~~] D of Section 7-1-6.7 NMSA 1978 shall be used for the air
 16 service assistance program. All expenditures shall be made in
 17 accordance with budgets approved by the department of [~~finance~~
 18 ~~and administration~~] transportation.

19 C. Reimbursement to the division, from any source
 20 other than the revenue distributed pursuant to Section 7-1-6.7
 21 NMSA 1978, for planning, construction, equipment, materials and
 22 maintenance of airports and related facilities; collections by
 23 the division for aircraft registration pursuant to the Airport
 24 Registration Act; and payments to the division pursuant to
 25 Sections 64-1-13, 64-1-13.1 and 64-1-19 NMSA 1978 shall be

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1 deposited in the state aviation fund. Balances in the fund
2 shall not be transferred and shall not revert to any other
3 fund. "

4 Section 5. [NEW MATERIAL] REPORTING REQUIREMENT-- JET FUEL
5 SOLD.--A seller of fuel specially prepared and sold for use in
6 turboprop or jet-type engines shall report, within thirty days
7 of the end of each quarter of the calendar year, to the
8 aviation division of the department of transportation the
9 volume of gallons of that fuel sold by the seller each month.

10 Section 6. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2005.