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SENATE BILL 728

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

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; AMENDING A SECTION OF THE RESOURCES
EXCISE TAX ACT TO PROVIDE FOR A TAX RATE ON SEVERING COPPER.

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

Section 1. That version of Section 7-25-4 NMSA 1978
(being Laws 1999, Chapter 177, Section 2) that is to become
effective July 1, 2005 is amended to read:

"7-25-4. RATE AND MEASURE OF TAX--DENOMINATION AS
"RESOURCES TAX".--

A. For the privilege of severing natural resources,
there is imposed on [~~any~~] a severer of natural resources in New
Mexico an excise tax at the following rates on the taxable
value of the natural resources:

(1) all natural resources except copper,
potash and molybdenum, three-fourths of one percent;

underscored material = new
[bracketed material] = delete

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- (2) potash, one-half of one percent; [~~and~~]
- (3) molybdenum, one-eighth of one percent; and
- (4) copper:

(a) one-fourth of one percent when the price for copper on the commodity exchange of the New York mercantile exchange is below one dollar (\$1.00) per pound; and

(b) three-fourths of one percent when the price for copper on the commodity exchange of the New York mercantile exchange is one dollar (\$1.00) or more per pound.

B. The tax imposed by this section shall be referred to as the "resources tax".

Section 2. EFFECTIVE DATE. --The effective date of the provisions of this act is July 1, 2005.