

1 AN ACT

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

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

14 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

15 A. A distribution pursuant to Section 7-1-6.1 NMSA  
16 1978 shall be made to the state aviation fund in an amount  
17 equal to four and seventy-nine hundredths percent of the  
18 taxable gross receipts attributable to the sale of fuel  
19 specially prepared and sold to commercial aviation operators  
20 for use in turboprop or jet-type engines as determined by the  
21 department.

22 B. A monthly distribution pursuant to Section  
23 7-1-6.1 NMSA 1978 shall be made to the state aviation fund in  
24 an amount equal to three and seven hundred seventy-five  
25 thousandths percent of the taxable gross receipts

1 attributable to the sale of fuel specially prepared and sold  
2 to persons or entities that are not commercial aviation  
3 operators for use in turboprop or jet-type engines as  
4 determined by the department.

5 C. A distribution pursuant to Section 7-1-6.1 NMSA  
6 1978 shall be made to the state aviation fund in an amount  
7 equal to twenty-six hundredths percent of gasoline taxes,  
8 exclusive of penalties and interest, collected pursuant to  
9 the Gasoline Tax Act.

10 D. From July 1, 2002 through June 30, 2007, a  
11 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
12 made to the state aviation fund in an amount equal to  
13 forty-six thousandths percent of the net receipts  
14 attributable to the gross receipts tax distributable to the  
15 general fund.

16 E. A distribution pursuant to Section 7-1-6.1 NMSA  
17 1978 shall be made to the state aviation fund from the net  
18 receipts attributable to the gross receipts tax imposed by  
19 the Gross Receipts and Compensating Tax Act in an amount  
20 equal to:

21 (1) twenty thousand five hundred dollars  
22 (\$20,500) monthly from July 1, 2005 through June 30, 2006;

23 (2) seventy thousand dollars (\$70,000)  
24 monthly from July 1, 2006 through June 30, 2007; and

25 (3) two hundred fifty thousand dollars

1 (\$250,000) monthly after July 1, 2007.

2 F. For the purposes of this section, "commercial  
3 aviation operator" means a person or entity that, for  
4 compensation or hire, engages in the carriage by aircraft in  
5 air commerce of persons or property in accordance with part  
6 121 and scheduled air operations pursuant to part 135 of  
7 Title 14 of the Code of Federal Regulations."

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

10 "7-9-83. DEDUCTION--GROSS RECEIPTS TAX--JET FUEL.--

11 A. Fifty-five percent of the receipts from the  
12 sale of fuel specially prepared and sold to commercial  
13 aviation operators for use in turboprop or jet-type engines  
14 as determined by the department may be deducted from gross  
15 receipts.

16 B. For the purposes of this section, "commercial  
17 aviation operator" means a person or entity that, for  
18 compensation or hire, engages in the carriage by aircraft in  
19 air commerce of persons or property in accordance with part  
20 121 and scheduled air operations pursuant to part 135 of  
21 Title 14 of the Code of Federal Regulations."

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

24 "7-9-84. DEDUCTION--COMPENSATING TAX--JET FUEL.--

25 A. Fifty-five percent of the value of the fuel

1 specially prepared and sold to commercial aviation operators  
2 for use in turboprop or jet-type engines as determined by the  
3 department may be deducted in computing the compensating tax  
4 due.

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

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

13 "64-1-15. EARMARKED TAXES--APPROPRIATION.--

14 A. There is created in the state treasury the  
15 "state aviation fund". All income to the state aviation  
16 fund is appropriated to the division.

17 B. Except for the amount distributed pursuant to  
18 Subsection D of Section 7-1-6.7 NMSA 1978, the amounts  
19 distributed to the state aviation fund pursuant to Section  
20 7-1-6.7 NMSA 1978 shall be used for planning, construction  
21 and maintenance of a system of airports, navigation aids and  
22 related facilities serving New Mexico and for administrative  
23 costs of the division. The amounts distributed to the state  
24 aviation fund pursuant to Subsection D of Section 7-1-6.7  
25 NMSA 1978 shall be used for the air service assistance

1 program. All expenditures shall be made in accordance with  
2 budgets approved by the department of transportation.

3 C. Reimbursement to the division, from any source  
4 other than the revenue distributed pursuant to Section  
5 7-1-6.7 NMSA 1978, for planning, construction, equipment,  
6 materials and maintenance of airports and related facilities;  
7 collections by the division for aircraft registration  
8 pursuant to the Airport Registration Act; and payments to the  
9 division pursuant to Sections 64-1-13, 64-1-13.1 and 64-1-19  
10 NMSA 1978 shall be deposited in the state aviation fund.  
11 Balances in the fund shall not be transferred and shall not  
12 revert to any other fund."

13 Section 5. REPORTING REQUIREMENT--JET FUEL SOLD.--A  
14 seller of fuel specially prepared and sold for use in  
15 turboprop or jet-type engines shall report, within thirty  
16 days of the end of each quarter of the calendar year, to the  
17 aviation division of the department of transportation the  
18 volume of gallons of that fuel sold by the seller each month.

19 Section 6. EFFECTIVE DATE.--The effective date of the  
20 provisions of this act is July 1, 2005. \_\_\_\_\_

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