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SENATE BILL 30

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Dede Feldman and Danice Picraux

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO TAXATION; INCREASING THE CIGARETTE TAX AND THE TOBACCO PRODUCTS TAX; LIMITING THE DISTRIBUTION OF THE ADDITIONAL REVENUE ATTRIBUTABLE TO THE INCREASE IN THE CIGARETTE TAX AND THE TOBACCO PRODUCTS TAX TO THE COUNTY-SUPPORTED MEDICAID FUND.

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

Section 1. A new section of the Tax Administration Act is enacted to read:

"NEW MATERIAL DISTRIBUTION--COUNTY-SUPPORTED MEDICAID FUND--NEW REVENUE FROM INCREASED CIGARETTE TAX AND TOBACCO PRODUCTS TAX IN 2010.--A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the county-supported medicaid fund created in Section 27-10-3 NMSA 1978 in an amount equal to the increase in net receipts attributable to the .180151.2

underscored material = new
[bracketed material] = delete

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1 increase in the cigarette tax resulting from amendments to
2 Section 7-12-3 NMSA 1978 enacted in the second session of the
3 forty-ninth legislature and the tobacco products tax resulting
4 from amendments to Section 7-12A-3 NMSA 1978 enacted in the
5 second session of the forty-ninth legislature."

6 Section 2. Section 7-12-3 NMSA 1978 (being Laws 1971,
7 Chapter 77, Section 3, as amended) is amended to read:

8 "7-12-3. EXCISE TAX ON CIGARETTES--RATES.--

9 A. For the privilege of selling, giving or
10 consuming cigarettes in New Mexico, there is levied an excise
11 tax at the following rates for each cigarette sold, given or
12 consumed in this state:

13 (1) [~~four and fifty-five hundredths cents~~
14 ~~(\$.0455)~~] nine and fifty-five hundredths cents (\$.0955) if the
15 cigarettes are packaged in lots of twenty or twenty-five;

16 (2) [~~nine and ten hundredths cents (\$.091)~~]
17 nineteen and one-hundredths (\$.191) if the cigarettes are
18 packaged in lots of ten; or

19 (3) [~~eighteen and twenty hundredths cents~~
20 ~~(\$.182)~~] thirty-eight and two-hundredths cents (\$.382) if the
21 cigarettes are packaged in lots of five.

22 B. The tax imposed by this section shall be
23 referred to as the "cigarette tax".

24 Section 3. Section 7-12A-3 NMSA 1978 (being Laws 1986,
25 Chapter 112, Section 4, as amended) is amended to read:

.180151.2

underscored material = new
[bracketed material] = delete

1 "7-12A-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS
2 "TOBACCO PRODUCTS TAX"--DATE PAYMENT OF TAX DUE.--

3 A. For the manufacture or acquisition of tobacco
4 products in New Mexico to be distributed in the ordinary course
5 of business and for the consumption of tobacco products in New
6 Mexico, there is imposed an excise tax at the rate of [~~twenty-~~
7 ~~five~~] forty percent of the product value of the tobacco
8 products.

9 B. The tax imposed by Subsection A of this section
10 may be referred to as the "tobacco products tax".

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

14 Section 4. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2010.