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SENATE BILL 126

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

INTRODUCED BY

Lynda M. Lovejoy

AN ACT

RELATING TO TAXATION; INCREASING THE LIQUOR EXCISE TAX;  
AMENDING THE DISTRIBUTION TO THE LOCAL DWI GRANT FUND TO  
MAINTAIN REVENUE TO THE FUND.

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

Section 1. Section 7-1-6.40 NMSA 1978 (being Laws 1997,  
Chapter 182, Section 1, as amended) is amended to read:

"7-1-6.40. DISTRIBUTION--LOCAL DWI GRANT FUND--  
MUNICIPALITIES.--

A. A distribution pursuant to Section 7-1-6.1 NMSA  
1978 shall be made to the local DWI grant fund in an amount  
equal to [~~forty-one and fifty hundredths~~] twenty-one and  
ninety-hundredths percent of the net receipts attributable to  
the liquor excise tax.

B. A distribution pursuant to Section 7-1-6.1 NMSA

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1 1978 of twenty thousand seven hundred fifty dollars (\$20,750)  
2 monthly from the net receipts attributable to the liquor excise  
3 tax shall be made to a municipality that is located in a class  
4 A county and that has a population according to the most recent  
5 federal decennial census of more than thirty thousand but less  
6 than sixty thousand. The distribution pursuant to this  
7 subsection shall be used by the municipality only for the  
8 provision of alcohol treatment and rehabilitation services for  
9 street inebriates."

10 Section 2. Section 7-17-5 NMSA 1978 (being Laws 1993,  
11 Chapter 65, Section 8, as amended) is amended to read:

12 "7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX.--

13 A. There is imposed on a wholesaler who sells  
14 alcoholic beverages on which the tax imposed by this section  
15 has not been paid an excise tax, to be referred to as the  
16 "liquor excise tax", at the following rates on alcoholic  
17 beverages sold:

18 (1) on spirituous liquors, [~~one dollar sixty~~  
19 ~~cents (\$1.60)] two dollars seventy-three cents (\$2.73) per  
20 liter;~~

21 (2) on beer, except as provided in Paragraph  
22 (5) of this subsection, [~~forty-one cents (\$.41)] ninety-five  
23 cents (\$.95) per gallon;~~

24 (3) on wine, except as provided in Paragraphs  
25 (4) and (6) of this subsection, [~~forty-five cents (\$.45)]~~

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1 seventy-nine cents (\$.79) per liter;

2 (4) on fortified wine, [~~one dollar fifty cents~~  
3 ~~(\$1.50)~~] one dollar ninety-three cents (\$1.93) per liter;

4 (5) on beer manufactured or produced by a  
5 microbrewer and sold in this state, provided that proof is  
6 furnished to the department that the beer was manufactured or  
7 produced by a microbrewer, [~~eight cents (\$.08)~~] sixty-two cents  
8 (\$.62) per gallon;

9 (6) on wine manufactured or produced by a  
10 small winegrower and sold in this state, provided that proof is  
11 furnished to the department that the wine was manufactured or  
12 produced by a small winegrower, [~~ten cents (\$.10)~~] forty-four  
13 cents (\$.44) per liter on the first eighty thousand liters sold  
14 and [~~twenty cents (\$.20)~~] fifty-four cents (\$.54) per liter on  
15 all liters sold over eighty thousand liters but less than nine  
16 hundred fifty thousand liters; and

17 (7) on cider, [~~forty-one cents (\$.41)~~] ninety-  
18 five cents (\$.95) per gallon.

19 B. The volume of wine transferred from one  
20 winegrower to another winegrower for processing, bottling or  
21 storage and subsequent return to the transferor shall be  
22 excluded pursuant to Section 7-17-6 NMSA 1978 from the taxable  
23 volume of wine of the transferee. Wine transferred from an  
24 initial winegrower to a second winegrower remains a tax  
25 liability of the transferor, provided that if the wine is

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1 transferred to the transferee for the transferee's use or for  
2 resale, the transferee then assumes the liability for the tax  
3 due pursuant to this section.

4 C. A transfer of wine from a winegrower to a  
5 wholesaler for distribution of the wine transfers the liability  
6 for payment of the liquor excise tax to the wholesaler upon the  
7 sale of the wine by the wholesaler."

8 Section 3. APPLICABILITY.--The distribution pursuant to  
9 the provisions of Section 1 of this act applies to receipts  
10 from the liquor excise tax that are attributable to sales on or  
11 after July 1, 2010.

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