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SENATE BILL 135

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

INTRODUCED BY

Tim Eichenberg

AN ACT

RELATING TO TAXATION; CLARIFYING THAT SOLAR INSTALLATIONS ON RESIDENTIAL PROPERTY ARE TANGIBLE PERSONAL PROPERTY AND SHALL NOT BE INCLUDED AS PART OF THE VALUE OF THE RESIDENTIAL PROPERTY.

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

Section 1. Section 7-36-8 NMSA 1978 (being Laws 1973, Chapter 373, Section 1, as amended) is amended to read:

"7-36-8. TANGIBLE PERSONAL PROPERTY EXEMPT FROM PROPERTY TAX--EXCEPTIONS.--

A. Except as provided in Subsection B of this section, tangible personal property owned by a person is exempt from property taxation.

B. The following tangible personal property owned by a person is subject to valuation and taxation under the

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1 Property Tax Code:

2 (1) livestock;

3 (2) manufactured homes;

4 (3) aircraft not registered under the Aircraft  
5 Registration Act;

6 (4) private railroad cars, the earnings of  
7 which are not taxed under the provisions of the Railroad Car  
8 Company Tax Act;

9 (5) tangible personal property subject to  
10 valuation under Sections 7-36-22 through 7-36-25 and 7-36-27  
11 through 7-36-32 NMSA 1978;

12 (6) vehicles not registered under the  
13 provisions of the Motor Vehicle Code and for which the owner  
14 has claimed a deduction for depreciation for federal income tax  
15 purposes during any federal income taxable year occurring in  
16 whole or in part during the twelve months immediately preceding  
17 the first day of the property tax year; and

18 (7) other tangible personal property not  
19 specified in Paragraphs (1) through (6) of this subsection:

20 (a) that is used, produced,  
21 manufactured, held for sale, leased or maintained by a person  
22 for purposes of the person's profession, business or  
23 occupation; and

24 (b) for which the owner has claimed a  
25 deduction for depreciation for federal income tax purposes

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1 during any federal income taxable year occurring in whole or in  
2 part during the twelve months immediately preceding the first  
3 day of the property tax year.

4 C. Solar photovoltaic or solar thermal  
5 installations located on residential property that provide  
6 electricity or water or space heating or cooling for the  
7 residential property on which the installation is located is  
8 tangible personal property subject to the provisions of  
9 Subsection A of this section. Solar photovoltaic or solar  
10 thermal installations on residential property shall not be  
11 subject to valuation as part of the taxable value of the real  
12 property on which the installation is located."

13 Section 2. APPLICABILITY.--The provisions of this act  
14 apply to tax years beginning on or after January 1, 2010.