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SENATE BILL 244

**50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

INTRODUCED BY

Stephen H. Fischmann

AN ACT

RELATING TO TAXATION; INCREASING THE RATE OF THE MOTOR VEHICLE  
EXCISE TAX; PHASING OUT THE OFFSET TAKEN AGAINST TRADED-IN  
VEHICLES.

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

**SECTION 1.** Section 7-14-4 NMSA 1978 (being Laws 1988,  
Chapter 73, Section 14) is amended to read:

"7-14-4. DETERMINATION OF AMOUNT OF MOTOR VEHICLE EXCISE  
TAX.--

A. The rate of the motor vehicle excise tax  
provided in Subsection B of this section is [~~three percent and~~  
~~is~~] applied to the price paid for the vehicle. If the price  
paid does not represent the value of the vehicle in the  
condition that existed at the time it was acquired, the tax  
rate shall be applied to the reasonable value of the vehicle in

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1 such condition at such time. [~~However~~]

2 B. The rate of the motor vehicle excise tax is:

3 (1) three percent of the first ten thousand  
4 dollars (\$10,000) of the price paid for the vehicle; and

5 (2) five percent of any amount in excess of  
6 ten thousand dollars (\$10,000) paid for the vehicle.

7 C. Allowances granted for vehicle trade-ins may be  
8 deducted from the price paid or the reasonable value of the  
9 vehicle purchased as follows:

10 (1) for a vehicle purchased before July 1,  
11 2011, one hundred percent of the lesser of the trade-in value  
12 or the actual trade-in price received for the vehicle being  
13 traded;

14 (2) for a vehicle purchased on or after July  
15 1, 2011 but before July 1, 2012, sixty-seven percent of the  
16 lesser of the trade-in value or the actual trade-in price  
17 received for the vehicle being traded;

18 (3) for a vehicle purchased on or after July  
19 1, 2012 but before July 1, 2013, thirty-three percent of the  
20 lesser of the trade-in value or the actual trade-in price  
21 received for the vehicle being traded; and

22 (4) for a vehicle purchased on or after July  
23 1, 2013, no allowance may be taken for a vehicle being traded  
24 in."

25 SECTION 2. EFFECTIVE DATE.--The effective date of the

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1 provisions of this act is July 1, 2011.

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