

**FIFTY-FIRST LEGISLATURE
FIRST SESSION, 2013**

March 13, 2013

Mr. Speaker:

Your **TAXATION AND REVENUE COMMITTEE**, to whom has been referred

SENATE BILL 81, as amended

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 12, after "TAX", insert "; INCREASING THE LIQUOR EXCISE TAX PAID BY CERTAIN MICROBREWERS".

2. On page 3, between lines 20 and 21, insert the following new section:

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

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

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

(1) on spirituous liquors, one dollar sixty cents (\$1.60) per liter;

(2) on beer, except as provided in Paragraph (5) of this subsection, forty-one cents (\$.41) per gallon;

(3) on wine, except as provided in Paragraphs (4) and (6) of this subsection, forty-five cents (\$.45) per liter;

(4) on fortified wine, one dollar fifty cents (\$1.50) per liter;

(5) on beer manufactured or produced by a microbrewer and sold in this state, provided that proof is furnished

**FIFTY-FIRST LEGISLATURE
FIRST SESSION, 2013**

HTRC/SB 81

Page 2

to the department that the beer was manufactured or produced by a microbrewer, eight cents (\$.08) per gallon on the first ten thousand gallons sold and twenty-eight cents (\$.28) per gallon on all gallons sold more than ten thousand gallons but fewer than fifteen thousand gallons;

(6) on wine manufactured or produced by a small winegrower and sold in this state, provided that proof is furnished to the department that the wine was manufactured or produced by a small winegrower, ten cents (\$.10) per liter on the first eighty thousand liters sold and twenty cents (\$.20) per liter on all liters sold over eighty thousand liters but less than nine hundred fifty thousand liters; and

(7) on cider, forty-one cents (\$.41) per gallon.

B. The volume of wine transferred from one winegrower to another winegrower for processing, bottling or storage and subsequent return to the transferor shall be excluded pursuant to Section 7-17-6 NMSA 1978 from the taxable volume of wine of the transferee. Wine transferred from an initial winegrower to a second winegrower remains a tax liability of the transferor, provided that if the wine is transferred to the transferee for the transferee's use or for resale, the transferee then assumes the liability for the tax due pursuant to this section.

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

3. Renumber the succeeding section accordingly.

Respectfully submitted,

Edward C. Sandoval, Chairman

**FIFTY-FIRST LEGISLATURE
FIRST SESSION, 2013**

HTRC/SB 81

Page 3

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 10 For 3 Against
Yes: 10
No: McCamley, Sandoval, Steinborn
Excused: Dodge, Easley
Absent: None

.194304.2

Z:\CommRep\SB0081TR1.wpd