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HOUSE BILL 498

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

G. X. MCSHERRY

AN ACT

RELATING TO WINE EXCISE TAX; AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 7-17-2 NMSA 1978 (being Laws 1966, Chapter 49, Section 2, as amended) is amended to read:

"7-17-2. DEFINITIONS. --As used in the Liquor Excise Tax Act:

A. "alcoholic beverages" means distilled or rectified spirits, potable alcohol, brandy, whiskey, rum, gin and aromatic bitters or any similar alcoholic beverage, including blended or fermented beverages, dilutions or mixtures of one or more of the foregoing containing more than one-half of one percent alcohol, but excluding medicinal bitters:

(1) "spirituous liquors" means alcoholic beverages, except fermented beverages such as wine, beer, cider

Underscored material = new
[bracketed material] = delete

1 and ale;

2 (2) "beer" means any alcoholic beverage
3 obtained by the fermentation of any infusion or decoction of
4 barley, malt and hops or other cereals in water and includes
5 porter, beer, ale and stout;

6 (3) "cider" means an alcoholic beverage made
7 from the normal alcoholic fermentation of the juice of sound,
8 ripe apples that contains not less than one-half of one percent
9 of alcohol by volume and not more than seven percent of alcohol
10 by volume;

11 (4) "fortified wine" means wine containing more
12 than fourteen percent alcohol by volume when bottled or packaged
13 by the manufacturer, but does not include:

14 (a) wine that is sealed or capped by cork
15 closure and aged two years or more;

16 (b) wine that contains more than fourteen
17 percent alcohol by volume solely as a result of the natural
18 fermentation process and has not been produced with the addition
19 of wine spirits, brandy or alcohol; or

20 (c) vermouth and sherry; and

21 (5) "wine" includes the words "fruit juices"
22 and means alcoholic beverages, other than cider, obtained by the
23 fermentation of the natural sugar contained in fruit or other
24 agricultural products, with or without the addition of sugar or
25 other products, that do not contain less than one-half of one

1 percent nor more than twenty-one percent alcohol by volume;

2 B. "department" means the taxation and revenue
3 department, the secretary of taxation and revenue or any
4 employee of the department exercising authority lawfully
5 delegated to that employee by the secretary;

6 C. "microbrewer" means any person who produces
7 [~~less~~] fewer than five thousand barrels of beer in a year;

8 D. "person" means any individual, estate, trust,
9 receiver, cooperative association, club, corporation, company,
10 firm, partnership, joint venture, syndicate or other
11 association; "person" also means, to the extent permitted by
12 law, any federal, state or other governmental unit or
13 subdivision or agency, department or instrumentality thereof;

14 E. "small winer or winegrower" means any person who
15 produces [~~less~~] fewer than two hundred twenty thousand [~~liters~~]
16 gallons of wine in a year; and

17 F. "wholesaler" means any person holding a license
18 issued under Section 60-6A-1 NMSA 1978 or any person selling
19 alcoholic beverages that were not purchased from a person
20 holding a license issued under Section 60-6A-1 NMSA 1978. "

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

23 "7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX. -- There
24 is imposed on any wholesaler who sells alcoholic beverages on
25 which the tax imposed by this section has not been paid an

Underscored material = new
[bracketed material] = delete

1 excise tax, to be referred to as the "liquor excise tax", at the
2 following rates on alcoholic beverages sold:

3 A. on spirituous liquors, one dollar sixty cents
4 (\$1.60) per liter;

5 B. on beer, except as provided in Subsection E of
6 this section, forty-one cents (\$.41) per gallon;

7 C. on wine, except as provided in Subsections D and
8 F of this section, forty-five cents (\$.45) per liter;

9 D. on fortified wine, one dollar fifty cents (\$1.50)
10 per liter;

11 E. on beer manufactured or produced by a microbrewer
12 and sold in this state, provided that proof is furnished to the
13 department that the beer was manufactured or produced by a
14 microbrewer, twenty-five cents (\$.25) per gallon;

15 F. on wine manufactured or produced by a small winer
16 or winegrower and sold in this state, provided that proof is
17 furnished to the department that the wine was manufactured or
18 produced by a small winer or winegrower, ~~ten cents (\$.10)]~~
19 thirty-eight cents (\$.38) per ~~liter~~ gallon on the first
20 ~~eighty thousand liters~~ one hundred thousand gallons sold and
21 ~~twenty cents (\$.20)]~~ seventy-six cents (\$.76) per ~~liter~~
22 gallon on all ~~liters~~ gallons sold over ~~eighty thousand~~ one
23 hundred thousand gallons but less than two hundred twenty
24 thousand gallons; and

25 G. on cider, forty-one cents (\$.41) per gallon."

State of New Mexico
House of Representatives

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

February 20, 1997

Mr. Speaker:

Your BUSINESS AND INDUSTRY COMMITTEE, to whom has
been referred

HOUSE BILL 498

has had it under consideration and reports same with
recommendation that it DO PASS, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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Respectfully submitted,

Fred Luna, Chairman

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Getty, Olguin, Varela

Absent: None

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State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 11, 1997

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred

HOUSE BILL 498

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

1. On page 3, line 15, strike "two hundred twenty thousand",
insert in lieu thereof "three hundred seventy-five thousand" and
at the end of the line remove the brackets and line-through.

2. On page 3, line 16, strike "gallons".

3. On page 4, line 18, remove the brackets and line-through.

4. On page 4, line 19, strike "thirty-eight cents (\$.38)",
remove the brackets and line-through and strike "gallon".

5. On page 4, line 20, remove the brackets and line-through

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FIRST SESSION, 1997

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and strike "one hundred thousand gallons".

6. On page 4, line 21, remove both sets of brackets and the lines-through and strike "seventy-six cents (\$.76)".

7. On page 4, line 22, strike "gallon", "gallons" and "one" and remove both sets of brackets and both lines-through.

8. On page 4, line 23, strike "hundred thousand gallons", insert in lieu thereof "liters" and at the end of the line strike "two hundred twenty" and insert in lieu thereof "three hundred seventy-five".

Respectfully submitted,

Jerry W. Sandel, Chairman

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FIRST SESSION, 1997

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Gonzales, Russell, Sandoval, Stell

Absent: None

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[bracketed material] = delete

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FIRST SESSION, 1997

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FORTY- THIRD LEGISLATURE
FIRST SESSION, 1997

March 17, 1997

Mr. President:

Your WAYS AND MEANS COMMITTEE, to whom has been
referred

HOUSE BILL 498, as amended

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Carlos R. Cisneros, Chairman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

1 HTRC HB 498

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3 Adopted _____ Not Adopted _____
4 (Chief Clerk) (Chief Clerk)

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7 Date _____

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10 The roll call vote was 6 For 1 Against

11 Yes: 6

12 No: Duran

13 Excused: McSorley, Nava

14 Absent: None

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