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HOUSE BILL 23

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

INTRODUCED BY

Mary Helen Garcia

AN ACT

RELATING TO TAXATION; ADJUSTING THE DISTRIBUTION OF THE LIQUOR
EXCISE TAX INTO THE PUBLIC SCHOOL FUND; INCREASING THE LIQUOR
EXCISE TAX; MAKING AN APPROPRIATION.

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--PUBLIC SCHOOL FUND--

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~~] fifteen and three-
tenths 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 C. A distribution pursuant to Section 7-1-6.1 NMSA
11 1978 shall be made to the public school fund in an amount equal
12 to sixty-three and sixteen-hundredths percent of the net
13 receipts attributable to the liquor excise tax."

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

16 "7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX.--

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

22 (1) on spirituous liquors, [~~one dollar sixty~~
23 ~~cents (\$1.60)~~] three dollars eighty-five cents (\$3.85) per
24 liter;

25 (2) on beer, except as provided in Paragraph

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1 (5) of this subsection, [~~forty-one cents (\$.41)~~] one dollar
2 forty-eight cents (\$1.48) per gallon;

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

6 (4) on fortified wine, [~~one dollar fifty cents~~
7 ~~(\$.50)~~] two dollars thirty-five cents (\$2.35) per liter;

8 (5) on beer manufactured or produced by a
9 microbrewer and sold in this state, provided that proof is
10 furnished to the department that the beer was manufactured or
11 produced by a microbrewer, [~~eight cents (\$.08)~~] one dollar
12 fifteen cents (\$1.15) per gallon;

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

20 (7) on cider, [~~forty-one cents (\$.41)~~] one
21 dollar forty-eight cents (\$1.48) per gallon.

22 B. The volume of wine transferred from one
23 winegrower to another winegrower for processing, bottling or
24 storage and subsequent return to the transferor shall be
25 excluded pursuant to Section 7-17-6 NMSA 1978 from the taxable

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underscoring material = new
~~[bracketed material]~~ = delete

1 volume of wine of the transferee. Wine transferred from an
2 initial winegrower to a second winegrower remains a tax
3 liability of the transferor, provided that if the wine is
4 transferred to the transferee for the transferee's use or for
5 resale, the transferee then assumes the liability for the tax
6 due pursuant to this section.

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

11 SECTION 3. APPLICABILITY.--The distributions pursuant to
12 Section 1 of this act apply to receipts from the liquor excise
13 tax that are attributable to sales on or after July 1, 2011.

14 SECTION 4. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2011.