The Legislature

of the

State of New Mexico

51st Legislature, 2nd Session

LAWS 2014

CHAPTER 18

HOUSE BILL 288, as amended

Introduced by

REPRESENTATIVE ROBERTO "BOBBY" J. GONZALES

REPRESENTATIVE DEBBIE A. RODELLA
REPRESENTATIVE NICK L. SALAZAR

CHAPTER 18

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FOR CERTAIN BIODIESEL FOR SUBSEQUENT BLENDING OR RESALE BY A RACK OPERATOR.

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

SECTION 1. Section 7-13A-5 NMSA 1978 (being Laws 1990, Chapter 124, Section 18) is amended to read:

"7-13A-5. DEDUCTION--GASOLINE OR SPECIAL FUELS RETURNED--BIODIESEL FOR SUBSEQUENT BLENDING OR RESALE BY A RACK OPERATOR.--

A. Refunds and allowances made to buyers for gasoline or special fuels returned to the refiner, pipeline terminal operator or distributor or amounts of gasoline or special fuels, the payment for which has not been collected and has been determined to be uncollectible pursuant to provisions of regulations issued by the secretary may be deducted from gallons used to determine loads for the purposes of calculating the petroleum products loading fee. If such a payment is subsequently collected, the gallons represented shall be included in determining loads. The deduction under the provisions of this section shall not be allowed if the petroleum products loading fee has not been paid previously on the petroleum products that were returned to the seller or the sale of which created an uncollectible debt.

B. Biodiesel, as defined in the Special Fuels Supplier Tax Act, loaded in or imported into New Mexico and delivered to a rack operator for subsequent blending or resale by a rack operator may be deducted from gallons used to determine loads for the purposes of calculating the petroleum products loading fee.

C. A taxpayer that deducts an amount of biodiesel pursuant to Subsection B of this section shall report the deducted amount separately with the taxpayer's return in a manner prescribed by the department.

D. The department shall calculate the aggregate amount, in dollars, of the difference between the amount of the petroleum products loading fee that would have been collected in a fiscal year if not for the deduction allowed pursuant to Subsection B of this section and the amount of the petroleum products loading fee actually collected. The department shall compile an annual report that includes the aggregate amount, the number of taxpayers that deducted an amount of biodiesel pursuant to Subsection B of this section and any other information necessary to evaluate the deduction. Beginning in 2019 and every five years thereafter, the department shall compile and present the annual reports to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the costs and benefits to the state of the deduction.

E. For purposes of this section, "rack operator" means the operator of a refinery in this state or the owner of special fuel stored at a pipeline terminal in this state."

SECTION 2. APPLICABILITY.--The provisions of this act apply to biodiesel loaded in or imported into New Mexico on or after July 1, 2014.

W. KEN MARTINEZ, SPEAKER
HOUSE OF REPRESENTATIVES

STEPHEN R. ARIAS, CHIEF CLERK
HOUSE OF REPRESENTATIVES

JOHN A. SANCHEZ, PRESIDENT
SENATE

LENORE M. NARANJO, CHIEF CLERK
SENATE

Approved by me this 5th day of March, 2014

SUSANA MARTINEZ, GOVERNOR
STATE OF NEW MEXICO