

Opinion No. 35-912

February 25, 1935

BY: FRANK H. PATTON, Attorney General

TO: Gasoline Tax Department, Santa Fe, New Mexico.

{*45} This will acknowledge receipt of your letter to this office of February 18th requesting our advice as to whether or not gasoline used by {*46} the New Mexico Relief Administration is entitled to exemption.

In your letter to us you also enclosed a letter from the Magnolia Petroleum Company and quoted a portion of an opinion from their legal department to the effect that funds granted by the Federal Emergency Relief Administration to a State become funds of the State.

We are of the opinion that this clearly states the law and it is therefore our opinion that gasoline used by the New Mexico Relief Administration is not exempt from the motor fuel tax under Section 6, Chapter 176, of the Laws of 1933, for the reason that the money expended therein is not Federal funds, but has become the property of the State and therefore is no longer a Federal agency as contemplated by the above mentioned statute.

By: J. R. MODRALL,

Asst. Atty. General