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2	51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013
3	INTRODUCED BY
4	Peter Wirth
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10	AN ACT
11	RELATING TO TAXATION; REDUCING CORPORATE INCOME TAX RATES;
12	REQUIRING COMBINED REPORTING FOR CERTAIN UNITARY CORPORATIONS.
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14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
15	SECTION 1. Section 7-2A-5 NMSA 1978 (being Laws 1981,
16	Chapter 37, Section 38, as amended) is amended to read:
17	"7-2A-5. CORPORATE INCOME TAX RATESThe corporate
18	income tax imposed on corporations by Section 7-2A-3 NMSA 1978
19	shall be at the rates specified in the following table:
20	If the net income is:
21	Not over \$500,000 [4.8%] 4.2% of net
22	income
23	Over \$500,000 but not
24	over \$1,000,000 [\$24,000] <u>\$21,000</u>
2.5	nluc [ <del>6_//</del> ] 5_8% of

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excess over \$500,000

Over \$1,000,000

[\$56,000] \$50,000

plus [7.6%] 7.0% of excess over \$1,000,000."

SECTION 2. Section 7-2A-8.3 NMSA 1978 (being Laws 1983, Chapter 213, Section 12, as amended by Laws 1993, Chapter 307, Section 4 and by Laws 1993, Chapter 309, Section 2) is amended to read:

## "7-2A-8.3. COMBINED RETURNS.--

A. A unitary corporation that is subject to taxation under the Corporate Income and Franchise Tax Act and that has not previously filed [a combined return pursuant to this section or] a consolidated return pursuant to Section 7-2A-8.4 NMSA 1978 [may elect to] shall file a combined return with other unitary corporations as though the entire combined net income were that of one corporation. The return filed under this method of reporting shall include the net income of all the unitary corporations. Transactions among the unitary corporations may be eliminated by applying the appropriate rules for reporting income for a consolidated federal income tax return. Any corporation that has filed an income tax return with New Mexico pursuant to Section 7-2A-8.4 NMSA 1978 shall not file pursuant to this section unless the secretary gives prior permission to file on a combined return basis.

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B. Once corporations have reported net income through
a combined return for any taxable year, they shall file
combined returns for subsequent taxable years, so long as they
remain unitary corporations, unless the corporations elect to
file pursuant to Section 7-2A-8.4 NMSA 1978. [or unless the
secretary grants prior permission for one or more of the
corporations to file individually.

C. For taxable years beginning on or after January 1, 1993, no unitary corporation once included in a combined return may elect, or be granted permission by the secretary, for any subsequent taxable year to separately account pursuant to Paragraph (4) of Subsection A of Section 7-2A-8 NMSA 1978.]"

SECTION 3. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2014.

SECTION 4. EFFECTIVE DATE.--The effective date of the provisions of this act is January 1, 2014.

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