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HOUSE BILL 210

**51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

INTRODUCED BY

James R.J. Strickler

AN ACT

RELATING TO TAXATION; REDUCING THE CORPORATE INCOME TAX TO FOUR  
AND NINE-TENTHS PERCENT BEGINNING ON OR AFTER JANUARY 1, 2018.

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

SECTION 1. Section 7-2A-5 NMSA 1978 (being Laws 1981,  
Chapter 37, Section 38, as amended) is amended to read:

"7-2A-5. CORPORATE INCOME TAX RATES.--The corporate  
income tax imposed on corporations by Section 7-2A-3 NMSA 1978  
shall be at the rates specified in the following tables:

A. For taxable years beginning prior to January 1,  
2014:

If the net income is:	The tax shall be:
Not over \$500,000	4.8% of net income
Over \$500,000 but not over \$1,000,000	\$24,000 plus

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1 6.4% of excess  
2 over \$500,000  
3 Over \$1,000,000 \$56,000  
4 plus 7.6% of excess  
5 over \$1,000,000.

6 B. For taxable years beginning on or after January 1,  
7 2014 and prior to January 1, 2015:

8 If the net income is: The tax shall be:  
9 Not over \$500,000 4.8% of net income  
10 Over \$500,000 but not  
11 over \$1,000,000 \$24,000 plus  
12 6.4% of excess  
13 over \$500,000  
14 Over \$1,000,000 \$56,000  
15 plus 7.3% of excess  
16 over \$1,000,000.

17 C. For taxable years beginning on or after January 1,  
18 2015 and prior to January 1, 2016:

19 If the net income is: The tax shall be:  
20 Not over \$500,000 4.8% of net income  
21 Over \$500,000 but not  
22 over \$1,000,000 \$24,000 plus  
23 6.4% of excess  
24 over \$500,000  
25 Over \$1,000,000 \$56,000

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1 plus 6.9% of excess  
2 over \$1,000,000.

3 D. For taxable years beginning on or after January 1,  
4 2016 and prior to January 1, 2017:

5	If the net income is:	The tax shall be:
6	Not over \$500,000	4.8% of net income
7	Over \$500,000 but not	
8	over \$1,000,000	\$24,000 plus
9		6.4% of excess
10		over \$500,000
11	Over \$1,000,000	\$56,000
12		plus 6.6% of excess
13		over \$1,000,000.

14 E. For taxable years beginning on or after January 1,  
15 2017 and prior to January 1, 2018:

16	If the net income is:	The tax shall be:
17	Not over \$500,000	4.8% of net income
18	Over \$500,000	\$24,000 plus
19		[ <del>6.2%</del> ] <u>5.4%</u> of excess
20		over \$500,000.

21 F. For taxable years beginning on or after January 1,  
22 2018:

23	If the net income is:	The tax shall be:
24	Not over \$500,000	4.8% of net income
25	Over \$500,000	\$24,000 plus

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[~~5.9%~~] 4.9% of excess  
over \$500,000."

SECTION 2. APPLICABILITY.--The provisions of this act  
apply to taxable years beginning on or after January 1, 2015.

SECTION 3. EFFECTIVE DATE.--The effective date of the  
provisions of this act is January 1, 2015.