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HOUSE BILL 279

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

James R.J. Strickler

AN ACT

RELATING TO TAXATION; INCREMENTALLY REDUCING THE CORPORATE
INCOME TAX RATE AT HIGHER-INCOME LEVELS FOR FUTURE TAXABLE
YEARS.

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 | |

.198624.1

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1 over \$1,000,000 \$24,000 plus
2 6.4% of excess
3 over \$500,000
4 Over \$1,000,000 \$56,000
5 plus 7.6% of excess
6 over \$1,000,000.

7 B. For taxable years beginning on or after January 1,
8 2014 and prior to January 1, 2015:

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

18 C. For taxable years beginning on or after January 1,
19 2015 and prior to January 1, 2016:

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

underscored material = new
[bracketed material] = delete

1 Over \$1,000,000 \$56,000
2 plus 6.9% of excess
3 over \$1,000,000.

4 D. For taxable years beginning on or after January 1,
5 2016 and prior to January 1, 2017:

6 If the net income is: The tax shall be:
7 Not over \$500,000 4.8% of net income

8 Over \$500,000 but not
9 over \$1,000,000 \$24,000 plus
10 6.4% of excess
11 over \$500,000

12 Over \$1,000,000 \$56,000
13 plus 6.6% of excess
14 over \$1,000,000.

15 E. For taxable years beginning on or after January 1,
16 2017 and prior to January 1, 2018:

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

22 F. For taxable years beginning on or after January 1,
23 2018:

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

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Over \$500,000

\$24,000 plus
~~[5.9%]~~ 4.9% of excess
over \$500,000."

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