1	SENATE BILL 108
2	45th legislature - STATE OF NEW MEXICO - FIRST SESSION, 2001
3	INTRODUCED BY
4	Roman M. Maes III
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10	AN ACT
11	RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO PHASE IN
12	A DEDUCTION FOR ALL NET CAPITAL GAIN INCOME.
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14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
15	Section 1. Section 7-2-34 NMSA 1978 (being Laws 1999,
16	Chapter 205, Section 1) is amended to read:
17	"7-2-34. DEDUCTIONNET CAPITAL GAIN INCOME
18	A. Except as provided in Subsection $[B]$ <u>C</u> of this
19	section, a taxpayer may claim a deduction from net income in
20	an amount equal to <u>the following amounts of</u> the taxpayer's net
21	capital gain income for the taxable year for which the
22	deduction is being claimed [but not to exceed one thousand
23	dollars (\$1,000)]:
24	(1) one-third for taxable years beginning in
25	<u>2001;</u>
	. 134228. 1

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1 (2) two-thirds for taxable years beginning in 2002; and 2 (3) all net capital gain income for taxable 3 4 years beginning on or after January 1, 2003. 5 A husband and wife who file separate returns **B**. for a taxable year in which they could have filed a joint 6 7 return may each claim only one-half of the deduction provided 8 by this section that would have been allowed on the joint 9 return. 10 $[\mathbf{B}$. C. A taxpayer may not claim the deduction provided in Subsection A of this section if the taxpayer has 11 12 claimed the credit provided in Section 7-2D-8.1 NMSA 1978. 13 [C.] D. As used in this section, "net capital 14 gain" means "net capital gain" as defined in Section 1222 (11) of the Internal Revenue Code." 15 16 APPLICABILITY. -- The provisions of this act Section 2. 17 apply to taxable years beginning on or after January 1, 2001. 18 - 2 -19 20 21 22 23 24 25 . 134228. 1

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