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HOUSE BILL 10

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2005

INTRODUCED BY

Ben Lujan

AN ACT

**RELATING TO TAXATION; PROVIDING A REBATE FOR A PORTION OF TAXES
IMPOSED FOR THE 2005 TAXABLE YEAR; MAKING AN APPROPRIATION;
DECLARING AN EMERGENCY.**

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

**Section 1. A new section of the Income Tax Act is enacted
to read:**

"NEW MATERIAL TAX REBATE-- 2005 TAXABLE YEAR. --

**A. Except as otherwise provided in this section,
any resident who files an individual New Mexico income tax
return and who is not a dependent of another individual is
entitled to a tax rebate during the 2005 taxable year for a
portion of state and local taxes to which the person has been
subject during the 2005 taxable year, even if the resident has
no income taxable pursuant to the Income Tax Act.**

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1 B. For the purposes of this section, the total
 2 number of exemptions for which a tax rebate may be claimed or
 3 allowed is determined by adding the number of federal
 4 exemptions allowable for federal income tax purposes for each
 5 individual; provided that, in the case of a husband and wife
 6 who have filed a joint return where only one individual is a
 7 New Mexico resident, the number of exemptions shall be reduced
 8 by one.

9 C. Except as otherwise provided in Subsection D of
 10 this section, the tax rebate provided for in this section is
 11 allowed for the amount shown in the following table:

12 Adjusted Gross And the total number of exemptions is:

13 Income is:

14 Over	15 But not over	16 \$0	17 \$10,000	18 \$20,000	19 \$35,000	20 \$45,000	21 \$60,000	22 1	23 2	24 3	25 4	26 5	27 6 or more
								\$80	\$125	\$155	\$175	\$190	\$200
10,000	20,000							75	115	145	160	170	175
20,000	35,000							70	105	130	140	145	150
35,000	45,000							65	95	115	125	130	135
45,000	60,000							60	85	100	105	110	115
60,000								50	70	80	85	90	95.

22 D. If a resident's adjusted gross income is less
 23 than or equal to zero, the resident is entitled to a rebate in
 24 the amount shown in the first row of the table appropriate for
 25 the resident's number of exemptions.

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1 E. Except as otherwise provided in this section, the
2 secretary shall make an advance payment of the tax rebate
3 provided for in this section not later than December 15, 2005 to
4 each resident who filed a 2004 New Mexico personal income tax
5 return. Advance payment amounts shall be based on the number of
6 federal exemptions allowable for federal income tax purposes on
7 the 2004 New Mexico personal income tax return of the resident
8 for whom a rebate is allowed pursuant to this section and on the
9 federal adjusted gross income reported by that resident on the
10 same return. A resident who does not receive an advance payment
11 may claim the tax rebate provided for in this section on that
12 resident's 2005 New Mexico personal income tax return based on
13 the federal adjusted gross income and on the number of federal
14 exemptions allowable for federal income tax purposes reported on
15 that return.

16 F. The department shall not make an advance payment
17 of the tax rebate provided for in this section to a person who:

18 (1) was an inmate of a public institution for
19 more than six months during the 2004 taxable year; or

20 (2) was not a resident of New Mexico on the
21 last day of the 2004 taxable year.

22 G. The department shall not allow a tax rebate
23 provided in this section to a person who claims the rebate on
24 that person's 2005 personal income tax return, but:

25 (1) was an inmate of a public institution for

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underscored material = new
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1 more than six months during the 2005 taxable year; or

2 (2) was not a resident of New Mexico on the
3 last day of the 2005 taxable year.

4 H. The secretary may adopt regulations necessary to
5 administer the provisions of this section.

6 I. For purposes of this section, "dependent" means
7 "dependent" as defined by Section 152 of the Internal Revenue
8 Code, but also includes any minor child or stepchild of the
9 resident who would be a dependent for federal income tax
10 purposes if the public assistance contributing to the support of
11 the child or stepchild was considered to have been contributed
12 by the resident. "

13 Section 2. APPROPRIATION. --Five hundred thousand dollars
14 (\$500,000) is appropriated from the general fund to the taxation
15 and revenue department for expenditure in fiscal years 2006 and
16 2007 to administer the tax rebate provided for in Section 1 of
17 this 2005 act. Any unexpended or unencumbered balance remaining
18 at the end of fiscal year 2007 shall revert to the general fund.

19 Section 3. APPLICABILITY. --The provisions of this act
20 apply to the taxable year beginning on January 1, 2005 and
21 ending on December 31, 2005.

22 Section 4. EMERGENCY. --It is necessary for the public
23 peace, health and safety that this act take effect immediately.