

1 SENATE BILL 288

2 **47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

3 INTRODUCED BY

4 John C. Ryan

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10 AN ACT

11 RELATING TO THE STATE FISC; PROVIDING FOR A PERSONAL INCOME TAX
12 REBATE; TRANSFERRING MONEY FROM THE GENERAL FUND TO THE
13 SEVERANCE TAX PERMANENT FUND.

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

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

18 "[NEW MATERIAL] TAX REBATE--2006 TAXABLE YEAR.--

19 A. Except as otherwise provided in this section, a
20 resident who files an individual New Mexico income tax return
21 and who is not a dependent of another individual is entitled to
22 a tax rebate during the 2006 taxable year for a portion of
23 state and local taxes to which the resident has been subject
24 during the 2006 taxable year, even if the resident has no
25 income taxable to the Income Tax Act. The tax rebate shall be

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1 the amount determined by the department in accordance with the
2 Tax Administration Act as the taxpayer's proportional share of
3 one hundred eighty-nine million four hundred thirty thousand
4 dollars (\$189,430,000) of the assets in the general fund on
5 June 30, 2006.

6 B. The department shall not allow a tax rebate
7 provided in this section to a person who claims the rebate on
8 that person's 2006 individual New Mexico income tax return, but
9 was:

10 (1) an inmate of a public institution for more
11 than six months during the 2006 taxable year; or

12 (2) not a resident of New Mexico for six
13 months or more during the 2006 taxable year.

14 C. For the purposes of this section, "dependent"
15 means "dependent" as defined by Section 152 of the Internal
16 Revenue Code, but also includes any minor child or stepchild of
17 the resident who would be a dependent for federal income tax
18 purposes if the public assistance contributing to the support
19 of the child or stepchild was considered to have been
20 contributed by the resident."

21 Section 2. GENERAL FUND TRANSFER TO SEVERANCE TAX
22 PERMANENT FUND.--One hundred eighty-nine million four hundred
23 thirty thousand dollars (\$189,430,000) of the general fund
24 remaining at the end of fiscal year 2006 shall be transferred
25 to the severance tax permanent fund.

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