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HOUSE BILL 788

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Daniel R. Foley

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AN ACT

RELATING TO TAXATION; ACCELERATING IMPLEMENTATION OF INCOME TAX RATE REDUCTIONS.

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

Section 1. Section 7-2-7 NMSA 1978 (being Laws 2005 (1st S.S.), Chapter 3, Section 2) is repealed and a new Section 7-2-7 NMSA 1978 is enacted to read:

"7-2-7. [NEW MATERIAL] INDIVIDUAL INCOME TAX RATES.--The tax imposed by Section 7-2-3 NMSA 1978 shall be at the following rates for a taxable year beginning on or after January 1, 2007:

A. For married individuals filing separate returns:

If the taxable income is: The tax shall be: Not over \$4,000 1.7% of taxable income Over \$ 4,000 but not over \$ 8,000 \$ 68.00 plus 3.2% of .165230.1

1		excess over \$ 4,000									
2	Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of									
3		excess over \$ 8,000									
4	Over \$ 12,000	\$ 384 plus 4.9% of									
5		excess over \$ 12,000.									
6	B. For heads of household, surviving spouses and										
7	married individuals filing joint returns:										
8	If the taxable income is:	The tax shall be:									
9	Not over \$8,000	1.7% of taxable income									
10	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of									
11		excess over \$ 8,000									
12	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of									
13		excess over \$ 16,000									
14	Over \$ 24,000	\$ 768 plus 4.9% of									
15		excess over \$ 24,000.									
16	C. For single individuals and for estates and										
17	trusts:										
18	If the taxable income is:	The tax shall be:									
19	Not over \$5,500	1.7% of taxable income									
20	Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of									
21		excess over \$ 5,500									
22	Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of									
23		excess over \$ 11,000									
24	Over \$ 16,000	\$ 504.50 plus 4.9% of									
25		excess over \$ 16,000.									
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	D.	The	tax	on	the	sum	of	any	1ump	-sum	amounts	
included	in ne	et in	come	is	an	amour	ıt (equa1	_ to	five	multiplied	bу
the difference between.												

- (1) the amount of tax due on the taxpayer's taxable income; and
- (2) the amount of tax that would be due on an amount equal to the taxpayer's taxable income and twenty percent of the taxpayer's lump-sum amounts included in net income."

Section 2. TEMPORARY PROVISION.--The repeal of Laws 2005 (1st S.S.), Chapter 3, Section 2 by Section 1 of this act does not affect the individual income tax rates imposed by that section for any taxable year beginning in 2006.

Section 3. REPEAL.--Laws 2005, Chapter 104, Section 4 is repealed.

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