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SENATE BILL 265

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

INTRODUCED BY

Ben D. Altamirano

FOR THE LEGISLATIVE FINANCE COMMITTEE

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 Section 7-2-7 NMSA 1978 (being Laws 2005 (1st S.S.), Chapter 3, Section 2) is repealed and a new Section 7-2-7 NMSA 1978 is enacted to read: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

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underscored material = new
[bracketed material] = delete

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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1 D. The tax on the sum of any lump-sum amounts
2 included in net income is an amount equal to five multiplied by
3 the difference between:

4 (1) the amount of tax due on the taxpayer's
5 taxable income; and

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

10 Section 2. TEMPORARY PROVISION.--The repeal of Laws 2005
11 (1st S.S.), Chapter 3, Section 2 by Section 1 of this act does
12 not affect the individual income tax rates imposed by that
13 section for any taxable year beginning in 2006.

14 Section 3. REPEAL.--Laws 2005, Charter 104, Section 4 is
15 repealed.