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AN ACT

PROVIDING A REFUNDABLE PERSONAL INCOME TAX CREDIT FOR
TAXPAYERS FILING RETURNS FOR THE 2007 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:

"REFUNDABLE CREDIT--2007 TAXABLE YEAR.--

A. Except as otherwise provided in Subsection B of
this section, a taxpayer who for the 2007 taxable year files
a New Mexico income tax return, is a full-year or first-year
resident of New Mexico and is not a trust, estate or a
dependent of another taxpayer is allowed a credit in the
amount determined under Subsection C of this section. The
credit may be allowed even though the taxpayer has no income
taxable under the Income Tax Act for the 2007 taxable year.

B. A claim for the refundable tax credit provided
in this section is not allowed for a resident who was an
inmate of a public institution for more than six months
during the 2007 taxable year.

C. The tax credit allowed in this section shall be
in the amount determined from the following tables for:

(1) married taxpayers filing jointly:

Adjusted Gross Income		Credit Amount for Taxpayer and Spouse	Additional Credit Amount for Each Dependent
Over	Not Over		
0	\$30,000	\$100	\$50.00
\$30,000	\$50,000	\$ 80.00	\$40.00
\$50,000	\$70,000	\$ 50.00	\$25.00
\$70,000		\$ 0.00	\$ 0.00; or

(2) taxpayers filing as single, head of household, married filing separately or as a surviving spouse:

Adjusted Gross Income		Credit Amount for Taxpayer	Additional Credit Amount for Each Dependent
Over	Not Over		
0	\$30,000	\$50.00	\$50.00
\$30,000	\$50,000	\$40.00	\$40.00
\$50,000	\$70,000	\$25.00	\$25.00
\$70,000		\$ 0.00	\$ 0.00.

D. The tax credit allowed in this section may be credited by the department against the taxpayer's New Mexico income tax liability. If the taxpayer is liable for interest and penalties on the taxpayer's income tax liability for the 2007 taxable year prior to the effective date of this section, the amount of interest and penalties shall not be recomputed due to the credit provided by this section but may

1 be satisfied by applying the credit to the penalty or
2 interest due. Notwithstanding the provisions of Section
3 7-1-68 NMSA 1978, interest in the amount established by
4 Subsection B of Section 7-1-68 NMSA 1978 shall only be
5 allowed and paid on the amount to be refunded under
6 Subsection E of this section if not refunded or credited
7 within one hundred twenty days after the effective date of
8 this section or the applicable period established in
9 Subsection D of Section 7-1-68 NMSA 1978, whichever is later.

10 E. If the tax credit exceeds the taxpayer's income
11 tax liability, the excess shall be refunded to the taxpayer.

12 F. For purposes of this section, "dependent" means
13 "dependent" as defined by Section 152 of the Internal Revenue
14 Code."

15 Section 2. APPROPRIATION.--Seven hundred fifty thousand
16 dollars (\$750,000) is appropriated from the general fund to
17 the taxation and revenue department for expenditure in fiscal
18 year 2009 to administer the tax credits adopted in the second
19 special session of the forty-eighth legislature. Any
20 unexpended or unencumbered balance remaining at the end of
21 fiscal year 2009 shall revert to the general fund.

22 Section 3. APPLICABILITY.--The provisions of this act
23 apply to taxable years beginning between January 1, 2007 and
24 December 31, 2007.

25 Section 4. EMERGENCY.--It is necessary for the public

1 peace, health and safety that this act take effect

2 immediately. _____

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