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SENATE BILL 508

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Linda M. Lopez

AN ACT

RELATING TO TAXATION; RETURNING INCOME TAX RATES TO RATES  
IMPOSED PRIOR TO 2004.

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

Section 1. Section 7-2-7 NMSA 1978 (being Laws 2005,  
Chapter 104, Section 4) is amended to read:

"7-2-7. INDIVIDUAL INCOME TAX RATES.--The tax imposed by  
Section 7-2-3 NMSA 1978 shall be at the following rates for any  
taxable year beginning on or after January 1, [~~2008~~] 2010:

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 excess over \$ 4,000
Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of

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1 excess over \$ 8,000  
2 Over \$ 12,000 but not over \$20,000 \$ 384 plus 4.9% of  
3 excess over \$ 12,000  
4 Over \$ 20,000 but not over \$ 32,000 \$ 864 plus 7.1% of  
5 excess over \$ 20,000  
6 Over \$ 32,000 but not over \$ 50,000 \$ 1,716 plus 7.9% of  
7 excess over \$ 32,000  
8 Over \$ 50,000 \$ 3,138 plus 8.2% of  
9 excess over \$ 50,000.

10 B. For [~~heads of household~~] surviving spouses and  
11 married individuals filing joint returns:

12	If the taxable income is:	The tax shall be:
13	Not over \$8,000	1.7% of taxable income
14	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of
15		excess over \$ 8,000
16	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of
17		excess over \$ 16,000
18	Over \$ 24,000 <u>but not over \$ 40,000</u>	\$ 768 plus [ <del>4.9%</del> ] <u>6.0%</u>
19		of excess over \$ 24,000
20	<u>Over \$ 40,000 but not over \$ 64,000</u>	<u>\$ 1,728 plus 7.1% of</u>
21		<u>excess over \$ 40,000</u>
22	<u>Over \$ 64,000 but not over \$100,000</u>	<u>\$ 3,432 plus 7.9% of</u>
23		<u>excess over \$ 64,000</u>
24	<u>Over \$100,000</u>	<u>\$ 6,276 plus 8.2% of</u>
25		<u>excess over \$100,000.</u>

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C. For single individuals and for estates and trusts:

If the taxable income is:	The tax shall be:
Not over \$5,500	1.7% of taxable income
Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of excess over \$ 5,500
Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of excess over \$ 11,000
Over \$ 16,000 <u>but not over \$ 26,000</u>	\$ 504.50 plus [ <del>4.9%</del> <u>6.0%</u> of excess over \$16,000
<u>Over \$ 26,000 but not over \$ 42,000</u>	<u>\$1,104.50 plus 7.1% of excess over \$ 26,000</u>
<u>Over \$ 42,000 but not over \$ 65,000</u>	<u>\$2,240.50 plus 7.9% of excess over \$ 42,000</u>
<u>Over \$ 65,000</u>	<u>\$4,057.50 plus 8.2% of excess over \$ 65,000.</u>

D. For heads of household filing returns:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$ 7,000</u>	<u>1.7% of taxable income</u>
<u>Over \$ 7,000 but not over \$ 14,000</u>	<u>\$ 119 plus 3.2% of excess over \$ 7,000</u>
<u>Over \$ 14,000 but not over \$ 20,000</u>	<u>\$ 343 plus 4.7% of excess over \$ 14,000</u>
<u>Over \$ 20,000 but not over \$ 33,000</u>	<u>\$ 625 plus 6.0% of</u>

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1		<u>excess over \$ 20,000</u>
2	<u>Over \$ 33,000 but not over \$ 53,000</u>	<u>\$ 1,405 plus 7.1% of</u>
3		<u>excess over \$ 33,000</u>
4	<u>Over \$ 53,000 but not over \$ 83,000</u>	<u>\$ 2,825 plus 7.9% of</u>
5		<u>excess over \$ 53,000</u>
6	<u>Over \$ 83,000</u>	<u>\$ 5,195 plus 8.2% of</u>
7		<u>excess over \$ 83,000.</u>

8           ~~[D-]~~ E. The tax on the sum of any lump-sum amounts  
9 included in net income is an amount equal to five multiplied by  
10 the difference between:

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

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

17           Section 2. APPLICABILITY.--The provisions of this act  
18 apply to taxable years beginning on or after January 1, 2010.