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SENATE BILL 65

**49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010**

INTRODUCED BY

Gerald Ortiz y Pino

AN ACT

RELATING TO TAXATION; ADJUSTING INDIVIDUAL INCOME TAX RATES.

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 excess over \$ 8,000

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1	Over \$ 12,000 <u>but not over \$41,000</u>	\$ 384 plus [ <del>4.9%</del> ] <u>5.2%</u>
2		of excess over \$ 12,000
3	<u>Over \$41,000 but not over \$70,000</u>	<u>\$1,892 plus 5.8% of</u>
4		<u>excess over \$41,000</u>
5	<u>Over \$70,000 but not over \$100,000</u>	<u>\$3,574 plus 6.3% of</u>
6		<u>excess over \$70,000</u>
7	<u>Over \$100,000 but not over \$250,000</u>	<u>\$ 5,464 plus 6.8% of</u>
8		<u>excess over \$100,000</u>
9	<u>Over \$250,000 but not over \$500,000</u>	<u>\$15,664 plus 7.7% of</u>
10		<u>excess over \$250,000</u>
11	<u>Over \$500,000</u>	<u>\$34,914 plus 8.2% of</u>
12		<u>excess over \$500,000.</u>

13           B. For heads of household, surviving spouses and  
14 married individuals filing joint returns:

15	If the taxable income is:	The tax shall be:
16	Not over \$8,000	1.7% of taxable income
17	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of
18		excess over \$ 8,000
19	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of
20		excess over \$ 16,000
21	Over \$ 24,000 <u>but not over \$82,000</u>	\$ 768 plus [ <del>4.9%</del> ] <u>5.2%</u>
22		of excess over \$ 24,000
23	<u>Over \$82,000 but not over \$140,000</u>	<u>\$3,784 plus 5.8% of</u>
24		<u>excess over \$82,000</u>
25	<u>Over \$140,000 but not over \$200,000</u>	<u>\$7,148 plus 6.3% of</u>

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1 excess over \$140,000  
2 Over \$200,000 but not over \$500,000 \$10,928 plus 6.8% of  
3 excess over \$200,000  
4 Over \$500,000 but not over \$1,000,000 \$31,328 plus 7.7% of  
5 excess over \$500,000  
6 Over \$1,000,000 \$69,828 plus 8.2% of  
7 excess over \$1,000,000.

8 C. For single individuals and for estates and  
9 trusts:

10	If the taxable income is:	The tax shall be:
11	Not over \$5,500	1.7% of taxable income
12	Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of
13		excess over \$ 5,500
14	Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of
15		excess over \$ 11,000
16	Over \$ 16,000 <u>but not over \$55,000</u>	\$ 504.50 plus [ <del>4.9%</del>
17		<u>5.2%</u> of excess over
18		\$ 16,000
19	<u>Over \$55,000 but not over \$93,000</u>	<u>\$2,533 plus 5.8% of</u>
20		<u>excess over \$55,000</u>
21	<u>Over \$93,000 but not over \$133,000</u>	<u>\$4,737 plus 6.3% of</u>
22		<u>excess over \$93,000</u>
23	<u>Over \$133,000 but not over \$333,000</u>	<u>\$7,257 plus 6.8% of</u>
24		<u>excess over \$133,000</u>
25	<u>Over \$333,000 but not over \$667,000</u>	<u>\$20,857 plus 7.7% of</u>

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excess over \$333,000  
Over \$667,000 \$46,575 plus 8.2% of  
excess over \$667,000.

D. The tax on the sum of any lump-sum amounts included in net income is an amount equal to five multiplied by 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."