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SENATE BILL 15

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

INTRODUCED BY

Eric G. Griego

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT; CREATING A
GRADUATED SURTAX FOR HIGHER LEVELS OF TAXABLE INCOME;
DISTRIBUTING NET RECEIPTS GENERATED BY THE INCOME TAX SURTAX;
AMENDING THE PUBLIC SCHOOL FUND TO PREVENT FISCAL YEAR-END
REVERSIONS.

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

Section 1. A new section of the Tax Administration Act is
enacted to read:

"[NEW MATERIAL] DISTRIBUTION--INCOME TAX SURTAX.--

Beginning July 2011, a distribution of the net receipts,
exclusive of penalties and interest, attributable to the
receipts from personal income tax liabilities paid in the
fiscal year shall be made pursuant to Section 7-1-6.1 NMSA 1978
as follows:

.182308.1

1 Over \$ 16,000 but not over \$ 24,000 \$ 392 plus 4.7% of
2 excess over \$ 16,000
3 Over \$ 24,000 \$ 768 plus 4.9% of
4 excess over \$ 24,000.

5 C. For single individuals and for estates and
6 trusts:

7	If the taxable income is:	The tax shall be:
8	Not over \$5,500	1.7% of taxable income
9	Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of
10		excess over \$ 5,500
11	Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of
12		excess over \$ 11,000
13	Over \$ 16,000	\$ 504.50 plus 4.9% of
14		excess over \$ 16,000.

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

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

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

24 E. The tax imposed by Section 7-2-3 NMSA 1978 is
25 increased for taxable years 2010 through 2012 by a surtax that

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1 may be cited as the "income tax surtax" and that is imposed at
2 the rate of:

3 (1) for married individuals filing separate
4 returns, three and three-tenths percent on taxable income in
5 excess of seventy-five thousand dollars (\$75,000);

6 (2) for heads of households, surviving spouses
7 and married individuals filing joint returns, three and three-
8 tenths percent on taxable income in excess of one hundred fifty
9 thousand dollars (\$150,000); and

10 (3) for single individuals and for estates and
11 trusts, three and three-tenths percent on taxable income in
12 excess of one hundred thousand dollars (\$100,000)."

13 Section 3. Section 22-8-14 NMSA 1978 (being Laws 1967,
14 Chapter 16, Section 69, as amended) is amended to read:

15 "22-8-14. PUBLIC SCHOOL FUND.--

16 A. The "public school fund" is created.

17 B. The public school fund shall be distributed to
18 school districts and state-chartered charter schools in the
19 following parts:

20 (1) state equalization guarantee distribution;

21 (2) transportation distribution; and

22 (3) supplemental distributions:

23 (a) out-of-state tuition to school
24 districts;

25 (b) emergency; and

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(c) program enrichment.

C. The distributions of the public school fund shall be made by the department within limits established by law. The balance remaining in the public school fund at the end of each fiscal year shall not revert to the general fund [~~unless otherwise provided by law~~]."

Section 4. APPLICABILITY.--The provisions of Section 2 of this act apply to taxable years beginning on or after January 1, 2010.