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HOUSE BILL 516

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Antonio "Moe" Maestas

AN ACT

RELATING TO TAXATION; ADJUSTING THE RATES OF INCOME TAX PAID
PURSUANT TO THE INCOME TAX ACT.

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~~] 2012:

A. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
Not over [\$4,000] <u>\$9,000</u>	[1.7%] <u>1.0%</u> of taxable income
Over [\$4,000] <u>\$9,000</u> but not over [\$8,000] <u>\$18,000</u>	[\$68.00] <u>\$90.00</u> plus

.183940.1

underscoring material = new
[bracketed material] = delete

underscored material = new
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1 [3.2%] 2.0% of excess
2 over [~~\$4,000~~] \$9,000
3 Over [~~\$8,000~~] \$18,000 but not
4 over [~~\$12,000~~] \$36,000 [~~\$196~~] \$270 plus [4.7%]
5 3.0% of excess over
6 [~~\$8,000~~] \$18,000
7 Over [~~\$12,000~~] \$36,000 but not
8 over \$72,000 [~~\$384~~] \$810 plus [4.9%]
9 4.0% of excess over
10 [~~\$12,000~~] \$36,000
11 Over \$72,000 but not over \$187,500 \$ 2,250 plus 5.0% of
12 excess over \$ 72,000
13 Over \$187,500 but not over \$750,000 \$ 8,025 plus 6.0% of
14 excess over \$ 187,500
15 Over \$750,000 \$ 41,775 plus 7.0% of
16 excess over \$750,000.

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

19 If the taxable income is: The tax shall be:
20 Not over [~~\$8,000~~] \$18,000 [~~1.7%~~] 1.0% of taxable
21 income
22 Over [~~\$8,000~~] \$18,000 but not
23 over [~~\$16,000~~] \$36,000 [~~\$136~~] \$180 plus [3.2%]
24 2.0% of excess over
25 [~~\$8,000~~] \$18,000

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underscored material = new
[bracketed material] = delete

1 Over [~~\$16,000~~] \$36,000 but
2 not over [~~\$24,000~~] \$72,000 [~~\$392~~] \$540 plus [4.7%]
3 3.0% of excess over
4 [~~\$16,000~~] \$36,000
5 Over [~~\$24,000~~] \$72,000 but not
6 over \$144,000 [~~\$768~~] \$1,620 plus
7 [4.9%] 4.0% of excess
8 over [~~\$24,000~~] \$72,000
9 Over \$144,000 but not over \$375,000 \$ 4,500 plus 5.0% of
10 excess over \$ 144,000
11 Over \$375,000 but not over \$1,500,000 \$ 16,050 plus 6.0% of
12 excess over \$ 375,000
13 Over \$1,500,000 \$ 83,550 plus 7.0% of
14 excess over \$ 1,500,000.

15 C. For single individuals and for estates and
16 trusts:

17 If the taxable income is:

The tax shall be:

18 Not over [~~\$5,500~~] \$12,000 [~~1.7%~~] 1.0% of taxable
19 income
20 Over [~~\$5,500~~] 12,000 but not [~~\$93.50~~] \$120 plus
21 over [~~\$11,000~~] \$24,000 [~~3.2%~~] 2.0% of excess
22 over [~~\$5,500~~] \$12,000
23 Over [~~\$11,000~~] \$24,000 but not
24 over [~~\$16,000~~] \$48,000 [~~\$269.50~~] \$360 plus
25 [4.7%] 3.0% of excess

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underscored material = new
[bracketed material] = delete

1 over [~~\$11,000~~] \$24,000
2 Over [~~\$16,000~~] \$48,000 but not [~~\$504.50~~] \$1,080 plus
3 over \$96,000 [~~4.9%~~] 4.0% of excess
4 over [~~\$16,000~~] \$48,000
5 Over \$96,000 but not over \$250,000 \$ 3,000 plus 5.0% of
6 excess over \$96,000
7 Over \$250,000 but not over \$1,000,000 \$ 10,700 plus 6.0% of
8 excess over \$250,000
9 Over \$1,000,000 \$ 55,700 plus 7.0% of
10 excess over \$1,000,000.

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

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

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

20 SECTION 2. APPLICABILITY.--The provisions of Section 1 of
21 this act apply to taxable years beginning on or after January
22 1, 2012.

23 SECTION 3. EFFECTIVE DATE.--The effective date of the
24 provisions of this act is January 1, 2012.