1	HOUSE BILL 572									
2	50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011									
3	INTRODUCED BY									
4	Miguel P. Garcia									
5										
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9										
10	AN ACT									
11	RELATING TO TAXATION; RESTORING PROGRESSIVITY TO THE RATES OF									
12	INCOME TAX PAID PURSUANT TO THE INCOME TAX ACT.									
13										
14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:									
15	SECTION 1. Section 7-2-7 NMSA 1978 (being Laws 2005,									
16	Chapter 104, Section 4) is amended to read:									
17	"7-2-7. INDIVIDUAL INCOME TAX RATESThe tax imposed by									
18	Section 7-2-3 NMSA 1978 shall be at the following rates:									
19	A. For any taxable year beginning on or after									
20	January 1, [ <del>2008</del> ] <u>2011</u> :									
21	[ <del>A.</del> ] <u>(l)</u> For married individuals filing									
22	separate returns:									
23	If the taxable income is: The tax shall be:									
24	Not over \$4,000 l.7% of taxable income									
25	Over \$ 4,000 but not over \$ 8,000 \$ 68.00 plus 3.2% of									
	.183613.2									

1		excess over \$ 4,000									
2	Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of									
3		excess over \$ 8,000									
4	Over \$ 12,000 <u>but not over \$125,000</u>	\$ 384 plus 4.9% of									
5		excess over \$ 12,000									
6	<u>Over \$125,000</u>	\$5,921 plus 5.3% of									
7		excess over \$125,000.									
8	$[\frac{B}{\bullet}]$ (2) For heads of household, surviving										
9	spouses and married individuals filing joint returns:										
10	If the taxable income is:	The tax shall be:									
11	Not over \$8,000	1.7% of taxable income									
12	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of									
13		excess over \$ 8,000									
14	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of									
15		excess over \$ 16,000									
16	Over \$ 24,000 <u>but not over \$250,000</u>	\$ 768 plus 4.9% of									
17		excess over \$ 24,000									
18	<u>Over \$250,000</u>	\$11,842 plus 5.3% of									
19		excess over \$250,000.									
20	[ <del>C.</del> ] <u>(3)</u> For single	individuals and for									
21	estates and trusts:										
22	If the taxable income is:	The tax shall be:									
23	Not over \$5,500	1.7% of taxable income									
24	Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of									
25		excess over \$ 5,500									

1	Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of								
2		excess over \$ 11,000								
3	Over \$ 16,000 but not over \$167,000	\$ 504.50 plus 4.9% of								
4		excess over \$ 16,000								
5	<u>Over \$167,000</u>	\$7,903.50 plus 5.3% of								
6		excess over \$167,000.								
7	B. For any taxable year beginning on or after									
8	January 1, 2012:									
9	(l) For married individuals filing separate									
10	returns:									
11	If the taxable income is:	The tax shall be:								
12	<u>Not over \$ 4,000</u>	1.7% of taxable income								
13	Over \$ 4,000 but not over \$ 8,000	\$ 68.00 plus 3.2% of								
14		excess over \$ 4,000								
15	Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of								
16		excess over \$ 8,000								
17	Over \$ 12,000 but not over \$125,000	\$ 384 plus 4.9% of								
18		excess over \$ 12,000								
19	Over \$125,000 but not over \$250,000	\$5,921 plus 5.3% of								
20		excess over \$125,000								
21	<u>Over \$250,000</u>	\$12,546 plus 6.0% of								
22		excess over \$250,000.								
23	(2) For heads of ho	usehold, surviving spouses								
24	and married individuals filing joint	returns:								
25	If the taxable income is:	The tax shall be:								
	.183613.2									
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1	Not over \$ 8,000	1.7% of taxable income							
2	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of							
3		excess over \$ 8,000							
4	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of							
5		excess over \$ 16,000							
6	Over \$ 24,000 but not over \$250,000	\$ 768 plus 4.9% of							
7		excess over \$ 24,000							
8	Over \$250,000 but not over \$500,000	\$11,842 plus 5.3% of							
9		excess over \$250,000							
10	<u>Over \$500,000</u>	\$25,092 plus 6.0% of							
11		excess over \$500,000.							
12	(3) For single individuals and for estates and								
	<u>trusts:</u>								
13	<u>trusts:</u>								
13 14	If the taxable income is:	The tax shall be:							
		The tax shall be:  1.7% of taxable income							
14	If the taxable income is:	1.7% of taxable income							
14 15	If the taxable income is:  Not over \$ 5,500	1.7% of taxable income							
14 15 16	If the taxable income is:  Not over \$ 5,500	1.7% of taxable income \$ 93.50 plus 3.2% of							
14 15 16 17	If the taxable income is:  Not over \$ 5,500  Over \$ 5,500 but not over \$ 11,000	1.7% of taxable income  \$ 93.50 plus 3.2% of excess over \$ 5,500							
14 15 16 17 18	If the taxable income is:  Not over \$ 5,500  Over \$ 5,500 but not over \$ 11,000	1.7% of taxable income  \$ 93.50 plus 3.2% of  excess over \$ 5,500  \$ 269.50 plus 4.7% of							
14 15 16 17 18	If the taxable income is:  Not over \$ 5,500  Over \$ 5,500 but not over \$ 11,000  Over \$ 11,000 but not over \$ 16,000	1.7% of taxable income  \$ 93.50 plus 3.2% of  excess over \$ 5,500  \$ 269.50 plus 4.7% of  excess over \$ 11,000							
14 15 16 17 18 19 20	If the taxable income is:  Not over \$ 5,500  Over \$ 5,500 but not over \$ 11,000  Over \$ 11,000 but not over \$ 16,000	1.7% of taxable income  \$ 93.50 plus 3.2% of excess over \$ 5,500  \$ 269.50 plus 4.7% of excess over \$ 11,000  \$ 504.50 plus 4.9% of							
14 15 16 17 18 19 20 21	If the taxable income is:  Not over \$ 5,500  Over \$ 5,500 but not over \$ 11,000  Over \$ 11,000 but not over \$ 16,000  Over \$ 16,000 but not over \$ 167,000	1.7% of taxable income  \$ 93.50 plus 3.2% of excess over \$ 5,500  \$ 269.50 plus 4.7% of excess over \$ 11,000  \$ 504.50 plus 4.9% of excess over \$ 16,000							
14 15 16 17 18 19 20 21 22	If the taxable income is:  Not over \$ 5,500  Over \$ 5,500 but not over \$ 11,000  Over \$ 11,000 but not over \$ 16,000  Over \$ 16,000 but not over \$ 167,000	1.7% of taxable income \$ 93.50 plus 3.2% of excess over \$ 5,500 \$ 269.50 plus 4.7% of excess over \$ 11,000 \$ 504.50 plus 4.9% of excess over \$ 16,000 \$ 7,903.50 plus 5.3% of							

1	C. For any taxable year beginning on or after								
2	<u>January 1, 2013:</u>								
3	(1) For married individuals filing separate								
4	returns:								
5	If the taxable income is:	The tax shall be:							
6	Not over \$ 4,000	1.7% of taxable income							
7	Over \$ 4,000 but not over \$ 8,000	\$ 68.00 plus 3.2% of							
8		excess over \$ 4,000							
9	Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of							
10		excess over \$ 8,000							
11	Over \$ 12,000 but not over \$125,000	\$ 384 plus 4.9% of							
12		excess over \$ 12,000							
13	Over \$125,000 but not over \$250,000	\$ 5,921 plus 5.3% of							
14		excess over \$125,000							
15	Over \$250,000 but not over \$500,000	\$ 12,546 plus 6.0% of							
16		excess over \$250,000							
17	<u>Over \$500,000</u>	\$ 27,546 plus 6.8% of							
18		excess over \$500,000.							
19	(2) For heads of household, surviving spouses								
20	and married individuals filing joint	returns:							
21	If the taxable income is:	The tax shall be:							
22	Not over \$ 8,000	1.7% of taxable income							
23	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of							
24		excess over \$ 8,000							
25	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of							
	.183613.2								

1		excess over \$ 16,000								
2	Over \$ 24,000 but not over \$250,000	\$ 768 plus 4.9% of								
3		excess over \$ 24,000								
4	Over \$250,000 but not over \$500,000	\$ 11,842 plus 5.3% of								
5		excess over \$250,000								
6	Over \$500,000 but not over \$1,000,000	\$ 25,092 plus 6.0% of								
7		excess over \$500,000								
8	<u>Over \$1,000,000</u>	\$ 55,092 plus 6.8% of								
9		excess over \$1,000,000.								
10	(3) For single individuals and for estates and									
11	trusts:									
12	If the taxable income is:	The tax shall be:								
13	<u>Not over \$ 5,500</u>	1.7% of taxable income								
14	Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of								
15		excess over \$ 5,500								
16	Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of								
17		excess over \$ 11,000								
18	Over \$ 16,000 but not over \$167,000	\$ 504.50 plus 4.9% of								
19		excess over \$ 16,000								
20	Over \$167,000 but not over \$333,000	\$ 7,903.50 plus 5.3% of								
21		excess over \$167,000								
22	Over \$333,000 but not over \$667,000	\$ 16,701.50 plus 6.0% of								
23		excess over \$333,000								
24	<u>Over \$667,000</u>	\$ 36,741.50 plus 6.8% of								
25		excess over \$667,000.								

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	D.	The	tax	on	the	sum	of	any	1ump	-sum	amounts	
included	in ne	t in	come	is	an	amour	ıt (	equal	_ to	five	multiplied	by
the diffe	ronco	hots	.700n									

- (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."

SECTION 2. TEMPORARY PROVISION.--For the 2011 taxable year, a taxpayer is deemed to have complied with the provisions of Section 7-2-12.2 NMSA 1978 if the taxpayer has made the required annual payments of estimated taxes due for taxable year 2011 based on the provisions of the version of Section 7-2-7 NMSA 1978 applicable on January 1, 2008 through December 31, 2010.

SECTION 3. APPLICABILITY. -- The provisions of Section 1 of this act apply to taxable years beginning on or after January 1, 2011.

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