

1 HOUSE BILL 172

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 Jim R. Trujillo

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10 AN ACT

11 RELATING TO TAXATION; LIMITING THE TAX CREDIT PAID TO ANOTHER
12 STATE TO THE AMOUNT OF TAX LIABILITY IN NEW MEXICO.

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

15 SECTION 1. Section 7-2-13 NMSA 1978 (being Laws 1965,
16 Chapter 202, Section 11, as amended) is amended to read:

17 "7-2-13. CREDIT FOR TAXES PAID OTHER STATES BY RESIDENT
18 INDIVIDUALS.--When a resident individual is liable to another
19 state for tax upon income derived from sources outside this
20 state but also included in net income under the Income Tax Act
21 as income allocated or apportioned to New Mexico pursuant to
22 Section 7-2-11 NMSA 1978, the individual, upon filing with the
23 secretary satisfactory evidence of the payment of the tax to
24 the other state, shall receive a credit against the tax due
25 this state in the amount of the tax paid the other state with

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1 respect to income that is required to be either allocated or
2 apportioned to New Mexico. However, in no case shall the
3 credit exceed [~~five and one-half percent~~] the amount of the
4 taxpayer's New Mexico income tax liability on that portion of
5 income that is required to be either allocated or apportioned
6 to New Mexico on which the tax payable to the other state was
7 determined. The credit provided by this section does not apply
8 to or include income taxes paid to any municipality, county or
9 other political subdivision of a state."

10 SECTION 2. APPLICABILITY.--The provisions of this act
11 apply to taxable years beginning on or after January 1, 2013.

12 SECTION 3. EFFECTIVE DATE.--The effective date of the
13 provisions of this act is July 1, 2013.