

1 SENATE BILL 13

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

3 INTRODUCED BY

4 Peter Wirth

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10 AN ACT

11 RELATING TO TAXATION; REDUCING CORPORATE INCOME TAX RATES;
12 REQUIRING COMBINED REPORTING FOR CERTAIN UNITARY CORPORATIONS.

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

15 SECTION 1. Section 7-2A-5 NMSA 1978 (being Laws 1981,
16 Chapter 37, Section 38, as amended) is amended to read:

17 "7-2A-5. CORPORATE INCOME TAX RATES.--The corporate
18 income tax imposed on corporations by Section 7-2A-3 NMSA 1978
19 shall be at the rates specified in the following table:

20 If the net income is:	The tax shall be:
21 Not over \$500,000	[4.8%] <u>4.2%</u> of net 22 income
23 Over \$500,000 but not	
24 over \$1,000,000	[\$24,000] <u>\$21,000</u> 25 plus [6.4%] <u>5.8%</u> of

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underscored material = new
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underscored material = new
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1 excess over \$500,000
2 Over \$1,000,000 [~~\$56,000~~] \$50,000
3 plus [~~7.6%~~] 7.0% of
4 excess over
5 \$1,000,000."

6 SECTION 2. Section 7-2A-8.3 NMSA 1978 (being Laws 1983,
7 Chapter 213, Section 12, as amended by Laws 1993, Chapter 307,
8 Section 4 and by Laws 1993, Chapter 309, Section 2) is amended
9 to read:

10 "7-2A-8.3. COMBINED RETURNS.--

11 A. A unitary corporation that is subject to taxation
12 under the Corporate Income and Franchise Tax Act and that has
13 not previously filed [~~a combined return pursuant to this~~
14 ~~section or~~] a consolidated return pursuant to Section 7-2A-8.4
15 NMSA 1978 [~~may elect to~~] shall file a combined return with
16 other unitary corporations as though the entire combined net
17 income were that of one corporation. The return filed under
18 this method of reporting shall include the net income of all
19 the unitary corporations. Transactions among the unitary
20 corporations may be eliminated by applying the appropriate
21 rules for reporting income for a consolidated federal income
22 tax return. Any corporation that has filed an income tax
23 return with New Mexico pursuant to Section 7-2A-8.4 NMSA 1978
24 shall not file pursuant to this section unless the secretary
25 gives prior permission to file on a combined return basis.

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