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HOUSE BILL 201

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

Daymon Ely

AN ACT

RELATING TO TAXATION; CREATING A NEW TOP INCOME TAX BRACKET;
REPEALING AN OUTDATED VERSION OF SECTION 7-2-7 NMSA 1978 (BEING
LAWS 2005 (1ST S.S.), CHAPTER 3, SECTION 2).

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.--

A. 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 and prior to January 1, 2018:

~~[A.]~~ (1) For married individuals filing
separate returns:

If the taxable income is:	The tax shall be:
Not over \$4,000	1.7% of taxable income

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1 Over \$4,000 but not over \$8,000 \$68.00 plus 3.2% of
2 excess over \$4,000
3 Over \$8,000 but not over \$12,000 \$196 plus 4.7% of
4 excess over \$8,000
5 Over \$12,000 \$384 plus 4.9% of
6 excess over \$12,000.

7 [~~B-~~] (2) For heads of household, surviving
8 spouses and married individuals filing joint returns:

9 If the taxable income is: The tax shall be:
10 Not over \$8,000 1.7% of taxable income
11 Over \$8,000 but not over \$16,000 \$136 plus 3.2% of
12 excess over \$8,000
13 Over \$16,000 but not over \$24,000 \$392 plus 4.7% of
14 excess over \$16,000
15 Over \$24,000 \$768 plus 4.9% of
16 excess over \$24,000.

17 [~~G-~~] (3) For single individuals and for
18 estates and trusts:

19 If the taxable income is: The tax shall be:
20 Not over \$5,500 1.7% of taxable income
21 Over \$5,500 but not over \$11,000 \$93.50 plus 3.2% of
22 excess over \$5,500
23 Over \$11,000 but not over \$16,000 \$269.50 plus 4.7% of
24 excess over \$11,000
25 Over \$16,000 \$504.50 plus 4.9% of

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excess over \$16,000.

B. 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, 2018:

(1) For married individuals filing separate returns:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$4,000</u>	<u>1.7% of taxable income</u>
<u>Over \$4,000 but not over \$8,000</u>	<u>\$68.00 plus 3.2% of excess over \$4,000</u>
<u>Over \$8,000 but not over \$12,000</u>	<u>\$196 plus 4.7% of excess over \$8,000</u>
<u>Over \$12,000 but not over \$230,000</u>	<u>\$384 plus 4.9% of excess over \$12,000</u>
<u>Over \$230,000</u>	<u>\$11,066 plus 5.9% of excess over \$230,000.</u>

(2) For heads of household, surviving spouses and married individuals filing joint returns:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$8,000</u>	<u>1.7% of taxable income</u>
<u>Over \$8,000 but not over \$16,000</u>	<u>\$136 plus 3.2% of excess over \$8,000</u>
<u>Over \$16,000 but not over \$24,000</u>	<u>\$392 plus 4.7% of excess over \$16,000</u>
<u>Over \$24,000 but not over \$460,000</u>	<u>\$768 plus 4.9% of</u>

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1 excess over \$24,000
2 Over \$460,000 \$22,132 plus 5.9% of
3 excess over \$460,000.

4 (3) For single individuals and for estates and
5 trusts:

6 <u>If the taxable income is:</u>	<u>The tax shall be:</u>
7 <u>Not over \$5,500</u>	<u>1.7% of taxable income</u>
8 <u>Over \$5,500 but not over \$11,000</u>	<u>\$93.50 plus 3.2% of</u>
9	<u>excess over \$5,500</u>
10 <u>Over \$11,000 but not over \$16,000</u>	<u>\$269.50 plus 4.7% of</u>
11	<u>excess over \$11,000</u>
12 <u>Over \$16,000 but not over \$306,667</u>	<u>\$504.50 plus 4.9% of</u>
13	<u>excess over \$16,000</u>
14 <u>Over \$306,667</u>	<u>\$14,747.17 plus 5.9% of</u>
15	<u>excess over \$306,667.</u>

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

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

25 SECTION 2. REPEAL.--That version of Section 7-2-7 NMSA

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1 1978 (being Laws 2005 (1st S.S), Chapter 3, Section 2) is
2 repealed.

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