

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL 389

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

INTRODUCED BY  
Bill Tallman

AN ACT

RELATING TO TAXATION; KEEPING THE TOP RATE OF THE TAX IMPOSED BY THE CORPORATE INCOME AND FRANCHISE TAX ACT AT SIX AND TWO-TENTHS PERCENT PERMANENTLY.

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

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

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

A. For taxable years beginning prior to January 1, 2014:

If the net income is:	The tax shall be:
Not over \$500,000	4.8% of net income
Over \$500,000 but not	

underscoring material = new  
[bracketed material] = delete

underscored material = new  
[bracketed material] = delete

1           over \$1,000,000           \$24,000 plus  
2                                           6.4% of excess  
3                                           over \$500,000  
4    Over \$1,000,000           \$56,000  
5                                           plus 7.6% of excess  
6                                           over \$1,000,000.

7           B. For taxable years beginning on or after January 1,  
8    2014 and prior to January 1, 2015:

9           If the net income is:           The tax shall be:  
10    Not over \$500,000           4.8% of net income  
11    Over \$500,000 but not  
12           over \$1,000,000           \$24,000 plus  
13                                           6.4% of excess  
14                                           over \$500,000  
15    Over \$1,000,000           \$56,000  
16                                           plus 7.3% of excess  
17                                           over \$1,000,000.

18           C. For taxable years beginning on or after January 1,  
19    2015 and prior to January 1, 2016:

20           If the net income is:           The tax shall be:  
21    Not over \$500,000           4.8% of net income  
22    Over \$500,000 but not  
23           over \$1,000,000           \$24,000 plus  
24                                           6.4% of excess  
25                                           over \$500,000

underscored material = new  
[bracketed material] = delete

1 Over \$1,000,000 \$56,000  
2 plus 6.9% of excess  
3 over \$1,000,000.

4 D. For taxable years beginning on or after January 1,  
5 2016 and prior to January 1, 2017:

6 If the net income is: The tax shall be:  
7 Not over \$500,000 4.8% of net income  
8 Over \$500,000 but not  
9 over \$1,000,000 \$24,000 plus  
10 6.4% of excess  
11 over \$500,000  
12 Over \$1,000,000 \$56,000  
13 plus 6.6% of excess  
14 over \$1,000,000.

15 E. For taxable years beginning on or after January 1,  
16 2017 [~~and prior to January 1, 2018~~]:

17 If the net income is: The tax shall be:  
18 Not over \$500,000 4.8% of net income  
19 Over \$500,000 \$24,000 plus  
20 6.2% of excess  
21 over \$500,000.

22 [~~F. For taxable years beginning on or after January~~  
23 ~~1, 2018:~~

24 ~~If the net income is: The tax shall be:~~  
25 ~~Not over \$500,000 4.8% of net income~~

.206792.2

1 ~~Over \$500,000~~ ~~\$24,000 plus~~  
2 ~~5.9% of excess~~  
3 ~~over \$500,000.]"~~

4 SECTION 2. APPLICABILITY.--The provisions of this act  
5 apply to taxable years beginning on or after January 1, 2018.

6 - 4 -

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25