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HOUSE BILL 365

**54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

INTRODUCED BY

Miguel P. Garcia

AN ACT

RELATING TO TAXATION; MODIFYING THE PERSONAL INCOME TAX  
BRACKETS AND RATES; INCREASING THE LOW-INCOME COMPREHENSIVE TAX  
REBATE; REPEALING AN OUTDATED VERSION OF SECTION 7-2-7 NMSA  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.--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]~~ 2020:

A. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
Not over <del>[\$4,000]</del> <u>\$5,500</u>	1.7% of taxable income
<del>[Over \$4,000 but not over \$8,000]</del>	<del>\$68.00 plus 3.2% of</del>

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1		<del>excess over \$4,000</del>
2	<del>Over \$8,000 but not over \$12,000</del>	<del>\$196 plus 4.7% of</del>
3		<del>excess over \$8,000</del>
4	<del>Over \$12,000</del>	<del>\$384 plus 4.9% of</del>
5		<del>excess over \$12,000]</del>
6	<u>Over \$5,500 but not over \$11,000</u>	<u>\$94.00 plus 3.2% of</u>
7		<u>excess over \$5,500</u>
8	<u>Over \$11,000 but not over \$16,000</u>	<u>\$270 plus 4.7% of</u>
9		<u>excess over \$11,000</u>
10	<u>Over \$16,000 but not over \$36,000</u>	<u>\$505 plus 4.9% of</u>
11		<u>excess over \$16,000</u>
12	<u>Over \$36,000 but not over \$56,000</u>	<u>\$1,485 plus 5.5% of</u>
13		<u>excess over \$36,000</u>
14	<u>Over \$56,000 but not over \$75,000</u>	<u>\$2,585 plus 6.0% of</u>
15		<u>excess over \$56,000</u>
16	<u>Over \$75,000 but not over \$125,000</u>	<u>\$3,725 plus 6.5% of</u>
17		<u>excess over \$75,000</u>
18	<u>Over \$125,000 but not over \$175,000</u>	<u>\$6,975 plus 6.9% of</u>
19		<u>excess over \$125,000</u>
20	<u>Over \$175,000</u>	<u>\$10,425 plus 7.9% of</u>
21		<u>excess over \$175,000.</u>

22 B. For heads of household [~~surviving spouses and~~  
23 ~~married individuals filing joint returns~~]:

24	If the taxable income is:	The tax shall be:
25	Not over \$8,000	[ <del>1.7%</del> ] <u>1.3%</u> of taxable

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1		income
2	Over \$8,000 but not over \$16,000	<del>[\$136]</del> <u>\$104</u> plus <del>[3.2%]</del>
3		<u>2.8%</u> of excess over
4		\$8,000
5	Over \$16,000 but not over \$24,000	<del>[\$392]</del> <u>\$328</u> plus <del>[4.7%]</del>
6		<u>4.3%</u> of excess over
7		\$16,000
8	Over \$24,000 <u>but not over \$55,000</u>	<del>[\$768]</del> <u>\$672</u> plus 4.9% of
9		excess over \$24,000
10	<u>Over \$55,000 but not over \$85,000</u>	<u>\$2,191 plus 5.2% of</u>
11		<u>excess over \$55,000</u>
12	<u>Over \$85,000 but not over \$115,000</u>	<u>\$3,751 plus 5.9% of</u>
13		<u>excess over \$85,000</u>
14	<u>Over \$115,000 but not over \$150,000</u>	<u>\$5,521 plus 6.5% of</u>
15		<u>excess over \$115,000</u>
16	<u>Over \$150,000 but not over \$250,000</u>	<u>\$7,796 plus 6.9% of</u>
17		<u>excess over \$150,000</u>
18	<u>Over \$250,000</u>	<u>\$14,696 plus 7.9% of</u>
19		<u>excess over \$250,000.</u>

20 C. For surviving spouses and married individuals  
21 filing joint returns:

22	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
23	<u>Not over \$8,000</u>	<u>1.3% of taxable income</u>
24	<u>Over \$8,000 but not over \$16,000</u>	<u>\$104 plus 3.0% of</u>
25		<u>excess over \$8,000</u>

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1	<u>Over \$16,000 but not over \$24,000</u>	<u>\$344 plus 4.7% of</u>
2		<u>excess over \$16,000</u>
3	<u>Over \$24,000 but not over \$55,000</u>	<u>\$720 plus 4.9% of</u>
4		<u>excess over \$24,000</u>
5	<u>Over \$55,000 but not over \$85,000</u>	<u>\$2,239 plus 5.5% of</u>
6		<u>excess over \$55,000</u>
7	<u>Over \$85,000 but not over \$115,000</u>	<u>\$3,889 plus 5.9% of</u>
8		<u>excess over \$85,000</u>
9	<u>Over \$115,000 but not over \$150,000</u>	<u>\$5,569 plus 6.5% of</u>
10		<u>excess over \$115,000</u>
11	<u>Over \$150,000 but not over \$250,000</u>	<u>\$7,934 plus 6.9% of</u>
12		<u>excess over \$150,000</u>
13	<u>Over \$250,000</u>	<u>\$14,834 plus 7.9% of</u>
14		<u>excess over \$250,000.</u>

15                   [~~G.~~] D. For single individuals and for estates and  
16 trusts:

17	If the taxable income is:	The tax shall be:
18	Not over \$5,500	1.7% of taxable income
19	Over \$5,500 but not over \$11,000	[ <del>\$93.50</del> ] <u>\$94.00</u> plus 3.2%
20		of excess over \$5,500
21	Over \$11,000 but not over \$16,000	[ <del>\$269.50</del> ] <u>\$270</u> plus 4.7%
22		of excess over \$11,000
23	Over \$16,000 <u>but not over \$36,000</u>	[ <del>\$504.50</del> ] <u>\$505</u> plus 4.9%
24		of excess over \$16,000
25	<u>Over \$36,000 but not over \$56,000</u>	<u>\$1,485 plus 5.5% of</u>

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1		<u>excess over \$36,000</u>
2	<u>Over \$56,000 but not over \$75,000</u>	<u>\$2,585 plus 6.0% of</u>
3		<u>excess over \$56,000</u>
4	<u>Over \$75,000 but not over \$125,000</u>	<u>\$3,725 plus 6.5% of</u>
5		<u>excess over \$75,000</u>
6	<u>Over \$125,000 but not over \$175,000</u>	<u>\$6,975 plus 6.9% of</u>
7		<u>excess over \$125,000</u>
8	<u>Over \$175,000</u>	<u>\$10,425 plus 7.9% of</u>
9		<u>excess over \$175,000.</u>

10           ~~[D-]~~ E. The tax on the sum of any lump-sum amounts  
11 included in net income is an amount equal to five multiplied by  
12 the difference between:

13                   (1) the amount of tax due on the taxpayer's  
14 taxable income; and

15                   (2) the amount of tax that would be due on an  
16 amount equal to the taxpayer's taxable income and twenty  
17 percent of the taxpayer's lump-sum amounts included in net  
18 income."

19           **SECTION 2.** Section 7-2-14 NMSA 1978 (being Laws 1972,  
20 Chapter 20, Section 2, as amended) is amended to read:

21           "7-2-14. LOW-INCOME COMPREHENSIVE TAX REBATE.--

22                   A. Except as otherwise provided in Subsection B of  
23 this section, any resident who files an individual New Mexico  
24 income tax return and who is not a dependent of another  
25 individual may claim a tax rebate for a portion of state and

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1 local taxes to which the resident has been subject during the  
2 taxable year for which the return is filed. The tax rebate may  
3 be claimed even though the resident has no income taxable under  
4 the Income Tax Act. [~~A husband and wife~~] Married individuals  
5 who file separate returns for a taxable year in which they  
6 could have filed a joint return may each claim only one-half of  
7 the tax rebate that would have been allowed on a joint return.

8 B. No claim for the tax rebate provided in this  
9 section shall be filed by a resident who was an inmate of a  
10 public institution for more than six months during the taxable  
11 year for which the tax rebate could be claimed or who was not  
12 physically present in New Mexico for at least six months during  
13 the taxable year for which the tax rebate could be claimed.

14 C. For the purposes of this section, the total  
15 number of exemptions for which a tax rebate may be claimed or  
16 allowed is determined by adding the number of federal  
17 exemptions allowable for federal income tax purposes for each  
18 individual included in the return who is domiciled in New  
19 Mexico plus two additional exemptions for each individual  
20 domiciled in New Mexico included in the return who is sixty-  
21 five years of age or older plus one additional exemption for  
22 each individual domiciled in New Mexico included in the return  
23 who, for federal income tax purposes, is blind plus one  
24 exemption for each minor child or stepchild of the resident who  
25 would be a dependent for federal income tax purposes if the

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1 public assistance contributing to the support of the child or  
 2 stepchild was considered to have been contributed by the  
 3 resident.

4 D. The tax rebate provided for in this section may  
 5 be claimed in the amount shown in the following table for any  
 6 taxable year beginning on or after January 1, 2020:

7	Modified gross		And the total number					
8	income is:		of exemptions is:					
9		But Not						6 or
10	Over	Over	1	2	3	4	5	More
11	<del>[\$ 0</del>	<del>\$ 500</del>	<del>\$ 120</del>	<del>\$ 160</del>	<del>\$ 200</del>	<del>\$ 240</del>	<del>\$ 280</del>	<del>\$ 320</del>
12	<del>500</del>	<del>1,000</del>	<del>135</del>	<del>195</del>	<del>250</del>	<del>310</del>	<del>350</del>	<del>415</del>
13	<del>1,000</del>	<del>1,500</del>	<del>135</del>	<del>195</del>	<del>250</del>	<del>310</del>	<del>350</del>	<del>435</del>
14	<del>1,500</del>	<del>2,000</del>	<del>135</del>	<del>195</del>	<del>250</del>	<del>310</del>	<del>350</del>	<del>450</del>
15	<del>2,000</del>	<del>2,500</del>	<del>135</del>	<del>195</del>	<del>250</del>	<del>310</del>	<del>350</del>	<del>450</del>
16	<del>2,500</del>	<del>3,000</del>	<del>135</del>	<del>195</del>	<del>250</del>	<del>310</del>	<del>350</del>	<del>450</del>
17	<del>3,000</del>	<del>3,500</del>	<del>135</del>	<del>195</del>	<del>250</del>	<del>310</del>	<del>350</del>	<del>450</del>
18	<del>3,500</del>	<del>4,000</del>	<del>135</del>	<del>195</del>	<del>250</del>	<del>310</del>	<del>355</del>	<del>450</del>
19	<del>4,000</del>	<del>4,500</del>	<del>135</del>	<del>195</del>	<del>250</del>	<del>310</del>	<del>355</del>	<del>450</del>
20	<del>4,500</del>	<del>5,000</del>	<del>125</del>	<del>190</del>	<del>240</del>	<del>305</del>	<del>355</del>	<del>450</del>
21	<del>5,000</del>	<del>5,500</del>	<del>115</del>	<del>175</del>	<del>230</del>	<del>295</del>	<del>355</del>	<del>430</del>
22	<del>5,500</del>	<del>6,000</del>	<del>105</del>	<del>155</del>	<del>210</del>	<del>260</del>	<del>315</del>	<del>410</del>
23	<del>6,000</del>	<del>7,000</del>	<del>90</del>	<del>130</del>	<del>170</del>	<del>220</del>	<del>275</del>	<del>370</del>
24	<del>7,000</del>	<del>8,000</del>	<del>80</del>	<del>115</del>	<del>145</del>	<del>180</del>	<del>225</del>	<del>295</del>
25	<del>8,000</del>	<del>9,000</del>	<del>70</del>	<del>105</del>	<del>135</del>	<del>170</del>	<del>195</del>	<del>240</del>

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1	9,000	10,000	65	95	115	145	175	205
2	10,000	11,000	60	80	100	130	155	185
3	11,000	12,000	55	70	90	110	135	160
4	12,000	13,000	50	65	85	100	115	140
5	13,000	14,000	50	65	85	100	115	140
6	14,000	15,000	45	60	75	90	105	120
7	15,000	16,000	40	55	70	85	95	110
8	16,000	17,000	35	50	65	80	85	105
9	17,000	18,000	30	45	60	70	80	95
10	18,000	19,000	25	35	50	60	70	80
11	19,000	20,000	20	30	40	50	60	65
12	20,000	21,000	15	25	30	40	50	55
13	21,000	22,000	10	20	25	35	40	45]
14	<u>\$0</u>	<u>\$770</u>	<u>\$186</u>	<u>\$248</u>	<u>\$310</u>	<u>\$372</u>	<u>\$433</u>	<u>\$495</u>
15	<u>770</u>	<u>1,550</u>	<u>209</u>	<u>302</u>	<u>387</u>	<u>480</u>	<u>542</u>	<u>642</u>
16	<u>1,550</u>	<u>2,320</u>	<u>209</u>	<u>302</u>	<u>387</u>	<u>480</u>	<u>542</u>	<u>673</u>
17	<u>2,320</u>	<u>3,100</u>	<u>209</u>	<u>302</u>	<u>387</u>	<u>480</u>	<u>542</u>	<u>697</u>
18	<u>3,100</u>	<u>3,870</u>	<u>209</u>	<u>302</u>	<u>387</u>	<u>480</u>	<u>542</u>	<u>697</u>
19	<u>3,870</u>	<u>4,640</u>	<u>209</u>	<u>302</u>	<u>387</u>	<u>480</u>	<u>542</u>	<u>697</u>
20	<u>4,640</u>	<u>5,420</u>	<u>209</u>	<u>302</u>	<u>387</u>	<u>480</u>	<u>542</u>	<u>697</u>
21	<u>5,420</u>	<u>6,190</u>	<u>209</u>	<u>302</u>	<u>387</u>	<u>480</u>	<u>550</u>	<u>697</u>
22	<u>6,190</u>	<u>6,970</u>	<u>209</u>	<u>302</u>	<u>387</u>	<u>480</u>	<u>550</u>	<u>697</u>
23	<u>6,970</u>	<u>7,740</u>	<u>194</u>	<u>294</u>	<u>372</u>	<u>472</u>	<u>550</u>	<u>697</u>
24	<u>7,740</u>	<u>8,510</u>	<u>178</u>	<u>271</u>	<u>356</u>	<u>457</u>	<u>550</u>	<u>666</u>
25	<u>8,510</u>	<u>9,290</u>	<u>163</u>	<u>240</u>	<u>325</u>	<u>403</u>	<u>488</u>	<u>635</u>

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1	<u>9,290</u>	<u>10,840</u>	<u>139</u>	<u>201</u>	<u>263</u>	<u>341</u>	<u>426</u>	<u>573</u>
2	<u>10,840</u>	<u>12,390</u>	<u>124</u>	<u>178</u>	<u>224</u>	<u>279</u>	<u>348</u>	<u>457</u>
3	<u>12,390</u>	<u>13,930</u>	<u>108</u>	<u>163</u>	<u>209</u>	<u>263</u>	<u>302</u>	<u>372</u>
4	<u>13,930</u>	<u>15,480</u>	<u>101</u>	<u>147</u>	<u>178</u>	<u>224</u>	<u>271</u>	<u>317</u>
5	<u>15,480</u>	<u>17,030</u>	<u>93</u>	<u>124</u>	<u>155</u>	<u>201</u>	<u>240</u>	<u>286</u>
6	<u>17,030</u>	<u>18,580</u>	<u>85</u>	<u>108</u>	<u>139</u>	<u>170</u>	<u>209</u>	<u>248</u>
7	<u>18,580</u>	<u>20,130</u>	<u>77</u>	<u>101</u>	<u>132</u>	<u>155</u>	<u>178</u>	<u>217</u>
8	<u>20,130</u>	<u>21,670</u>	<u>77</u>	<u>101</u>	<u>132</u>	<u>155</u>	<u>178</u>	<u>217</u>
9	<u>21,670</u>	<u>23,220</u>	<u>70</u>	<u>93</u>	<u>116</u>	<u>139</u>	<u>163</u>	<u>186</u>
10	<u>23,220</u>	<u>24,770</u>	<u>62</u>	<u>85</u>	<u>108</u>	<u>132</u>	<u>147</u>	<u>170</u>
11	<u>24,770</u>	<u>26,320</u>	<u>54</u>	<u>77</u>	<u>101</u>	<u>124</u>	<u>132</u>	<u>163</u>
12	<u>26,320</u>	<u>27,870</u>	<u>46</u>	<u>70</u>	<u>93</u>	<u>108</u>	<u>124</u>	<u>147</u>
13	<u>27,870</u>	<u>29,410</u>	<u>39</u>	<u>54</u>	<u>77</u>	<u>93</u>	<u>108</u>	<u>124</u>
14	<u>29,410</u>	<u>30,960</u>	<u>31</u>	<u>46</u>	<u>62</u>	<u>77</u>	<u>93</u>	<u>101</u>
15	<u>30,960</u>	<u>32,510</u>	<u>23</u>	<u>39</u>	<u>46</u>	<u>62</u>	<u>77</u>	<u>85</u>
16	<u>32,510</u>	<u>34,060</u>	<u>15</u>	<u>31</u>	<u>39</u>	<u>54</u>	<u>62</u>	<u>70.</u>

17 E. If a taxpayer's modified gross income is zero,  
18 the taxpayer may claim a credit in the amount shown in the  
19 first row of the table appropriate for the taxpayer's number of  
20 exemptions.

21 F. The tax rebates provided for in this section may  
22 be deducted from the taxpayer's New Mexico income tax liability  
23 for the taxable year. If the tax rebates exceed the taxpayer's  
24 income tax liability, the excess shall be refunded to the  
25 taxpayer.

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