

HOUSE BILL 538

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; EXEMPTING A CERTAIN AMOUNT OF SOCIAL SECURITY INCOME FROM INCOME TAX; PROVIDING A CONTINGENT EFFECTIVE DATE.

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

SECTION 1. Section 7-2-5.2 NMSA 1978 (being Laws 1985, Chapter 114, Section 1, as amended) is amended to read:

"7-2-5.2. EXEMPTION--SOCIAL SECURITY INCOME--INCOME OF PERSONS SIXTY-FIVE AND OLDER OR BLIND.--~~[Any individual]~~

A. For taxable years beginning on or after the effective date of this 2019 act:

(1) an individual may claim an exemption in an amount equal to twenty-four thousand dollars (\$24,000) of the individual's net income from the supplemental security income program under Title 16 of the federal Social Security Act; or

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1 (2) if an individual does not receive such
2 income but is sixty-five years of age or older or who, for
3 federal income tax purposes, is blind, the individual may claim
4 an exemption in an amount specified in [~~Subsections A through~~
5 ~~E~~] Subparagraphs (a) through (c) of this [~~section~~] paragraph
6 not to exceed eight thousand dollars (\$8,000) of income
7 includable except for this exemption in net income:
8 [~~Individuals having income both within and without this state~~
9 ~~shall apportion this exemption in accordance with regulations~~
10 ~~of the secretary.~~

11 A.] (a) for married individuals filing
12 separate returns, for any taxable year beginning on or after
13 January 1, 1987:

14		The maximum amount of
15	If adjusted	exemption allowable under
16	gross income is:	this section shall be:
17	Not over \$15,000	\$8,000
18	Over \$15,000 but not over \$16,500	\$7,000
19	Over \$16,500 but not over \$18,000	\$6,000
20	Over \$18,000 but not over \$19,500	\$5,000
21	Over \$19,500 but not over \$21,000	\$4,000
22	Over \$21,000 but not over \$22,500	\$3,000
23	Over \$22,500 but not over \$24,000	\$2,000
24	Over \$24,000 but not over \$25,500	\$1,000
25	Over \$25,500	0;

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1 ~~(B-)~~ (b) for heads of household, surviving
2 spouses and married individuals filing joint returns, for any
3 taxable year beginning on or after January 1, 1987:

4		The maximum amount of
5	If adjusted	exemption allowable under
6	gross income is:	this section shall be:
7	Not over \$30,000	\$8,000
8	Over \$30,000 but not over \$33,000	\$7,000
9	Over \$33,000 but not over \$36,000	\$6,000
10	Over \$36,000 but not over \$39,000	\$5,000
11	Over \$39,000 but not over \$42,000	\$4,000
12	Over \$42,000 but not over \$45,000	\$3,000
13	Over \$45,000 but not over \$48,000	\$2,000
14	Over \$48,000 but not over \$51,000	\$1,000
15	Over \$51,000	0; <u>and</u>

16 ~~(C-)~~ (c) for single individuals, for any
17 taxable year beginning on or after January 1, 1987:

18		The maximum amount of
19	If adjusted	exemption allowable under
20	gross income is:	this section shall be:
21	Not over \$18,000	\$8,000
22	Over \$18,000 but not over \$19,500	\$7,000
23	Over \$19,500 but not over \$21,000	\$6,000
24	Over \$21,000 but not over \$22,500	\$5,000
25	Over \$22,500 but not over \$24,000	\$4,000

underscored material = new
[bracketed material] = delete

1	Over \$24,000 but not over \$25,500	\$3,000
2	Over \$25,500 but not over \$27,000	\$2,000
3	Over \$27,000 but not over \$28,500	\$1,000
4	Over \$28,500	0.

5 B. Individuals having income both within and without
6 this state shall apportion the exemptions provided in this
7 section in accordance with rules of the secretary."

8 SECTION 2. CONTINGENT EFFECTIVE DATE.--The effective date
9 of the provisions of this act is the effective date of a New
10 Mexico law that legalizes marijuana used for recreational
11 purposes; provided that the marijuana is subject to New Mexico
12 taxation. The regulation and licensing department shall certify
13 to the taxation and revenue department, the New Mexico
14 compilation commission and the director of the legislative
15 council service of the enactment of such a law.