

HOUSE BILL 81

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Christine Chandler and Peter Wirth

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO TAXATION; PROVIDING FOR THE INDEXING OF MODIFIED GROSS INCOME FOR PURPOSES OF DETERMINING THE AMOUNT OF LOW-INCOME COMPREHENSIVE TAX REBATE.

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

SECTION 1. Section 7-2-14 NMSA 1978 (being Laws 1972, Chapter 20, Section 2, as amended) is amended to read:

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

.223376.3AIC February 3, 2023 (12:41pm)

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A. Except as otherwise provided in Subsection B of this section, any resident who files an individual New Mexico income tax return and who is not a dependent of another individual may claim a tax rebate for a portion of state and local taxes to which the resident has been subject during the taxable year for which the return is filed. The tax rebate may be claimed even though the resident has no income taxable under the Income Tax Act. Married individuals who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the tax rebate that would have been allowed on a joint return.

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

C. For the purposes of this section, the total number of exemptions for which a tax rebate may be claimed or allowed is determined by adding the number of federal exemptions allowable for federal income tax purposes for each individual included in the return who is domiciled in New Mexico plus two additional exemptions for each individual domiciled in New Mexico included in the return who is sixty-five years of age or older plus one additional exemption for

each individual domiciled in New Mexico included in the return who, for federal income tax purposes, is blind plus one exemption for each minor child or stepchild of the resident who would be a dependent for federal income tax purposes if the public assistance contributing to the support of the child or stepchild was considered to have been contributed by the resident.

D. Except as provided in [~~Subsection F~~] Subsections F and G of this section, the tax rebate provided for in this section may be claimed in the amount shown in the following table:

Modified gross income is:		And the total number of exemptions is:					
Over	But Not Over	1	2	3	4	5	6 or More
[\$ 0	\$ 1,000	\$ 195	\$ 260	\$ 325	\$ 390	\$ 455	\$ 520
1,000	1,500	220	315	405	505	570	675
1,500	2,500	220	315	405	505	570	705
2,500	7,500	220	315	405	505	570	730
7,500	8,000	205	310	390	495	575	730
8,000	9,000	185	285	375	480	575	700
9,000	10,000	170	250	340	425	510	665
10,000	11,500	145	210	275	360	445	600
11,500	13,000	130	185	235	295	365	480
13,000	14,500	115	170	220	275	315	390

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14,500	16,500	105	155	185	235	285	335
16,500	18,000	100	130	165	210	250	300
18,000	19,500	90	115	145	180	220	260
19,500	21,000	80	105	140	165	185	230
21,000	23,000	80	105	140	165	185	230
23,000	24,500	75	100	120	145	170	195
24,500	26,000	65	90	115	140	155	180
26,000	27,500	55	80	105	130	140	170
27,500	29,500	50	75	100	115	130	155
29,500	31,000	40	55	80	100	115	130
31,000	32,500	35	50	65	80	100	105
32,500	34,000	25	40	50	65	80	90
34,000	36,000	15	35	40	55	65	75]
<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 210</u>	<u>\$ 280</u>	<u>\$ 350</u>	<u>\$ 420</u>	<u>\$ 490</u>	<u>\$ 560</u>
<u>1,000</u>	<u>1,500</u>	<u>240</u>	<u>340</u>	<u>435</u>	<u>545</u>	<u>615</u>	<u>730</u>
<u>1,500</u>	<u>2,500</u>	<u>240</u>	<u>340</u>	<u>435</u>	<u>545</u>	<u>615</u>	<u>760</u>
<u>2,500</u>	<u>8,000</u>	<u>240</u>	<u>340</u>	<u>435</u>	<u>545</u>	<u>615</u>	<u>790</u>
<u>8,000</u>	<u>8,500</u>	<u>220</u>	<u>335</u>	<u>420</u>	<u>535</u>	<u>620</u>	<u>790</u>
<u>8,500</u>	<u>9,500</u>	<u>200</u>	<u>310</u>	<u>405</u>	<u>520</u>	<u>620</u>	<u>755</u>
<u>9,500</u>	<u>11,000</u>	<u>185</u>	<u>270</u>	<u>365</u>	<u>460</u>	<u>550</u>	<u>720</u>
<u>11,000</u>	<u>12,500</u>	<u>155</u>	<u>225</u>	<u>295</u>	<u>390</u>	<u>480</u>	<u>650</u>
<u>12,500</u>	<u>14,000</u>	<u>140</u>	<u>200</u>	<u>255</u>	<u>320</u>	<u>395</u>	<u>520</u>
<u>14,000</u>	<u>15,500</u>	<u>125</u>	<u>185</u>	<u>240</u>	<u>295</u>	<u>340</u>	<u>420</u>
<u>15,500</u>	<u>18,000</u>	<u>115</u>	<u>165</u>	<u>200</u>	<u>255</u>	<u>310</u>	<u>360</u>
<u>18,000</u>	<u>19,500</u>	<u>110</u>	<u>140</u>	<u>180</u>	<u>225</u>	<u>270</u>	<u>325</u>

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<u>19,500</u>	<u>21,000</u>	<u>95</u>	<u>125</u>	<u>155</u>	<u>195</u>	<u>240</u>	<u>280</u>
<u>21,000</u>	<u>22,500</u>	<u>85</u>	<u>115</u>	<u>150</u>	<u>180</u>	<u>200</u>	<u>250</u>
<u>22,500</u>	<u>25,000</u>	<u>85</u>	<u>115</u>	<u>150</u>	<u>180</u>	<u>200</u>	<u>250</u>
<u>25,000</u>	<u>26,500</u>	<u>80</u>	<u>110</u>	<u>130</u>	<u>155</u>	<u>185</u>	<u>210</u>
<u>26,500</u>	<u>28,000</u>	<u>70</u>	<u>95</u>	<u>125</u>	<u>150</u>	<u>165</u>	<u>195</u>
<u>28,000</u>	<u>29,500</u>	<u>60</u>	<u>85</u>	<u>115</u>	<u>140</u>	<u>150</u>	<u>185</u>
<u>29,500</u>	<u>32,000</u>	<u>55</u>	<u>80</u>	<u>110</u>	<u>125</u>	<u>140</u>	<u>165</u>
<u>32,000</u>	<u>33,500</u>	<u>45</u>	<u>60</u>	<u>85</u>	<u>110</u>	<u>125</u>	<u>140</u>
<u>33,500</u>	<u>35,000</u>	<u>40</u>	<u>55</u>	<u>70</u>	<u>85</u>	<u>110</u>	<u>115</u>
<u>35,000</u>	<u>36,500</u>	<u>25</u>	<u>45</u>	<u>55</u>	<u>70</u>	<u>85</u>	<u>95</u>
<u>36,500</u>	<u>39,000</u>	<u>15</u>	<u>40</u>	<u>45</u>	<u>60</u>	<u>70</u>	<u>80</u>

E. If a taxpayer's modified gross income is zero, the taxpayer may claim a credit in the amount shown in the first row of the table appropriate for the taxpayer's number of exemptions as adjusted by the provisions of Subsection F of this section.

F. For the [~~2022~~] 2024 taxable year and each subsequent taxable year, the amount of rebate shown in the table in Subsection D of this section shall be adjusted to account for inflation. The department shall make the adjustment by multiplying each amount of rebate by a fraction, the numerator of which is the consumer price index ending during the prior taxable year and the denominator of which is the consumer price index ending in tax year [~~2021~~] HCPAC→2023←HCPAC HCPAC→2022←HCPAC . The result of the

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multiplication shall be rounded down to the nearest one dollar (\$1.00), except that if the result would be an amount less than the corresponding amount for the preceding taxable year, then no adjustment shall be made.

G. For the 2024 taxable year and each subsequent taxable year, the amount of modified gross income shown in the table in Subsection D of this section shall be adjusted to account for inflation. The department shall make the adjustment by multiplying each amount of modified gross income by a fraction, the numerator of which is the consumer price index ending during the prior taxable year and the denominator of which is the consumer price index ending in tax year HCPAC→2023←HCPAC HCPAC→2022←HCPAC . The result of the multiplication shall be rounded down to the nearest one hundred dollars (\$100), except that if the result would be an amount less than the corresponding amount for the preceding taxable year, then no adjustment shall be made.

~~[G.]~~ H. The tax rebates provided for in this section may be deducted from the taxpayer's New Mexico income tax liability for the taxable year. If the tax rebates exceed the taxpayer's income tax liability, the excess shall be refunded to the taxpayer.

~~[H.]~~ I. For purposes of this section:

(1) "consumer price index" means the consumer price index for all urban consumers published by the United

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States department of labor for the month ending September 30;
and

(2) "dependent" means "dependent" as defined by Section 152 of the Internal Revenue Code of 1986, as that section may be amended or renumbered, but also includes any minor child or stepchild of the resident who would be a dependent for federal income tax purposes if the public assistance contributing to the support of the child or stepchild was considered to have been contributed by the resident."

SECTION 2. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2023.

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