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HOUSE BILL 81

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

INTRODUCED BY

Christine Chandler and Peter Wirth

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.--

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

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1 the Income Tax Act. Married individuals who file separate  
2 returns for a taxable year in which they could have filed a  
3 joint return may each claim only one-half of the tax rebate  
4 that would have been allowed on a joint return.

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

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

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

5	Modified gross								And the total number
6	income is:								of exemptions is:
7		But Not						6 or	
8	Over	Over	1	2	3	4	5	More	
9	<del>[\$ 0</del>	<del>\$ 1,000</del>	<del>\$ 195</del>	<del>\$ 260</del>	<del>\$ 325</del>	<del>\$ 390</del>	<del>\$ 455</del>	<del>\$ 520</del>	
10	<del>1,000</del>	<del>1,500</del>	<del>220</del>	<del>315</del>	<del>405</del>	<del>505</del>	<del>570</del>	<del>675</del>	
11	<del>1,500</del>	<del>2,500</del>	<del>220</del>	<del>315</del>	<del>405</del>	<del>505</del>	<del>570</del>	<del>705</del>	
12	<del>2,500</del>	<del>7,500</del>	<del>220</del>	<del>315</del>	<del>405</del>	<del>505</del>	<del>570</del>	<del>730</del>	
13	<del>7,500</del>	<del>8,000</del>	<del>205</del>	<del>310</del>	<del>390</del>	<del>495</del>	<del>575</del>	<del>730</del>	
14	<del>8,000</del>	<del>9,000</del>	<del>185</del>	<del>285</del>	<del>375</del>	<del>480</del>	<del>575</del>	<del>700</del>	
15	<del>9,000</del>	<del>10,000</del>	<del>170</del>	<del>250</del>	<del>340</del>	<del>425</del>	<del>510</del>	<del>665</del>	
16	<del>10,000</del>	<del>11,500</del>	<del>145</del>	<del>210</del>	<del>275</del>	<del>360</del>	<del>445</del>	<del>600</del>	
17	<del>11,500</del>	<del>13,000</del>	<del>130</del>	<del>185</del>	<del>235</del>	<del>295</del>	<del>365</del>	<del>480</del>	
18	<del>13,000</del>	<del>14,500</del>	<del>115</del>	<del>170</del>	<del>220</del>	<del>275</del>	<del>315</del>	<del>390</del>	
19	<del>14,500</del>	<del>16,500</del>	<del>105</del>	<del>155</del>	<del>185</del>	<del>235</del>	<del>285</del>	<del>335</del>	
20	<del>16,500</del>	<del>18,000</del>	<del>100</del>	<del>130</del>	<del>165</del>	<del>210</del>	<del>250</del>	<del>300</del>	
21	<del>18,000</del>	<del>19,500</del>	<del>90</del>	<del>115</del>	<del>145</del>	<del>180</del>	<del>220</del>	<del>260</del>	
22	<del>19,500</del>	<del>21,000</del>	<del>80</del>	<del>105</del>	<del>140</del>	<del>165</del>	<del>185</del>	<del>230</del>	
23	<del>21,000</del>	<del>23,000</del>	<del>80</del>	<del>105</del>	<del>140</del>	<del>165</del>	<del>185</del>	<del>230</del>	
24	<del>23,000</del>	<del>24,500</del>	<del>75</del>	<del>100</del>	<del>120</del>	<del>145</del>	<del>170</del>	<del>195</del>	
25	<del>24,500</del>	<del>26,000</del>	<del>65</del>	<del>90</del>	<del>115</del>	<del>140</del>	<del>155</del>	<del>180</del>	

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1	26,000	27,500	55	80	105	130	140	170
2	27,500	29,500	50	75	100	115	130	155
3	29,500	31,000	40	55	80	100	115	130
4	31,000	32,500	35	50	65	80	100	105
5	32,500	34,000	25	40	50	65	80	90
6	34,000	36,000	15	35	40	55	65	75]
7	<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>
8	<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>
9	<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>
10	<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>
11	<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>
12	<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>
13	<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>
14	<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>
15	<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>
16	<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>
17	<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>
18	<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>
19	<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>
20	<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>
21	<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>
22	<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>
23	<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>
24	<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>
25	<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>

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1	<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>
2	<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>
3	<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>
4	<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>

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

10           F. For the [~~2022~~] 2024 taxable year and each  
11 subsequent taxable year, the amount of rebate shown in the  
12 table in Subsection D of this section shall be adjusted to  
13 account for inflation. The department shall make the  
14 adjustment by multiplying each amount of rebate by a fraction,  
15 the numerator of which is the consumer price index ending  
16 during the prior taxable year and the denominator of which is  
17 the consumer price index ending in tax year [~~2021~~] 2023. The  
18 result of the multiplication shall be rounded down to the  
19 nearest one dollar (\$1.00), except that if the result would be  
20 an amount less than the corresponding amount for the preceding  
21 taxable year, then no adjustment shall be made.

22           G. For the 2024 taxable year and each subsequent  
23 taxable year, the amount of modified gross income shown in the  
24 table in Subsection D of this section shall be adjusted to  
25 account for inflation. The department shall make the

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1 adjustment by multiplying each amount of modified gross income  
2 by a fraction, the numerator of which is the consumer price  
3 index ending during the prior taxable year and the denominator  
4 of which is the consumer price index ending in tax year 2023.  
5 The result of the multiplication shall be rounded down to the  
6 nearest one hundred dollars (\$100), except that if the result  
7 would be an amount less than the corresponding amount for the  
8 preceding taxable year, then no adjustment shall be made.

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

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

15                   (1) "consumer price index" means the consumer  
16 price index for all urban consumers published by the United  
17 States department of labor for the month ending September 30;  
18 and

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

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resident."

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