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HOUSE BILL 142

**57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

INTRODUCED BY

Kathleen Gates

AN ACT

RELATING TO PROPERTY TAX; REMOVING THE REQUIREMENT THAT A BOARD OF COUNTY COMMISSIONERS CONDUCT A PUBLIC HEARING BEFORE ADOPTING AN ORDINANCE TO MAKE AVAILABLE A TAX REBATE FOR LOW-INCOME TAXPAYERS.

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

SECTION 1. Section 7-2-14.3 NMSA 1978 (being Laws 1994, Chapter 111, Section 1, as amended) is amended to read:

"7-2-14.3. TAX REBATE OF PART OF PROPERTY TAX DUE FROM LOW-INCOME TAXPAYER--LOCAL OPTION--REFUND.--

A. The tax rebate provided by this section may be claimed for the taxable year for which the return is filed by an individual who:

(1) has ~~his~~ the principal place of residence in a county that has adopted an ordinance pursuant to

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1 Subsection G of this section;

2 (2) is not a dependent of another individual;

3 (3) files a return; and

4 (4) incurred a property tax liability on ~~[his]~~  
5 the principal place of residence in the taxable year.

6 B. The tax rebate provided by this section shall be  
7 allowed for any individual eligible to claim the refund  
8 pursuant to Subsection A of this section and who:

9 (1) was not an inmate of a public institution  
10 for more than six months during the taxable year;

11 (2) was physically present in New Mexico for at  
12 least six months during the taxable year for which the rebate  
13 is claimed; and

14 (3) is eligible for the rebate as a low-income  
15 property taxpayer in accordance with the provisions of  
16 Subsection D of this section.

17 C. ~~[A husband and wife]~~ Married individuals who  
18 file separate returns for the taxable year in which they could  
19 have filed a joint return may each claim only one-half of the  
20 tax rebate that would have been allowed on the joint return.

21 D. As used in the table in this subsection,  
22 "property tax liability" means the amount of property tax  
23 resulting from the imposition of the county and municipal  
24 property tax operating impositions on the net taxable value of  
25 the taxpayer's principal place of residence calculated for the

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1 year for which the rebate is claimed. The tax rebate provided  
2 in this section is as specified in the following table:

3 LOW-INCOME TAXPAYER'S PROPERTY TAX REBATE TABLE

| 4 Taxpayer's Modified Gross Income | Property Tax Rebate                    |
|------------------------------------|--|
| 5                                  | But Not                                |
| 6 Over                             | Over                                   |
| 7 \$ 0                             | \$ 8,000 75% of property tax liability |
| 8 8,000                            | 10,000 70% of property tax liability   |
| 9 10,000                           | 12,000 65% of property tax liability   |
| 10 12,000                          | 14,000 60% of property tax liability   |
| 11 14,000                          | 16,000 55% of property tax liability   |
| 12 16,000                          | 18,000 50% of property tax liability   |
| 13 18,000                          | 20,000 45% of property tax liability   |
| 14 20,000                          | 22,000 40% of property tax liability   |
| 15 22,000                          | 24,000 35% of property tax liability.  |

16 E. If a taxpayer's modified gross income is zero, the  
17 taxpayer may claim a tax rebate in the amount shown in the  
18 first row of the table. The tax rebate provided for in this  
19 section shall not exceed three hundred fifty dollars (\$350) per  
20 return and, if a return is filed separately that could have  
21 been filed jointly, the tax rebate shall not exceed one hundred  
22 seventy-five dollars (\$175). No tax rebate shall be allowed  
23 any taxpayer whose modified gross income exceeds twenty-four  
24 thousand dollars (\$24,000).

25 F. The tax rebate provided for in this section may be

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1 deducted from the taxpayer's New Mexico income tax liability  
2 for the taxable year. If the tax rebate exceeds the taxpayer's  
3 income tax liability, the excess shall be refunded to the  
4 taxpayer.

5 ~~[G. In January of every odd-numbered year in which a~~  
6 ~~county does not have in effect an ordinance adopted pursuant to~~  
7 ~~this subsection, the board of county commissioners of the~~  
8 ~~county shall conduct a public hearing on the question of~~  
9 ~~whether the property tax rebate provided in this section~~  
10 ~~benefiting low-income property taxpayers in the county should~~  
11 ~~be made available through adoption of a county ordinance.~~  
12 ~~Notice of the public hearing shall be published once at least~~  
13 ~~two weeks prior to the hearing date in at least one newspaper~~  
14 ~~of general circulation in the county and broadcast at some time~~  
15 ~~within the week before the hearing on at least one radio~~  
16 ~~station with substantial broadcasting coverage in the county.~~  
17 ~~At the public hearing, the board shall take action on the~~  
18 ~~question and if a majority of the members elected votes to~~  
19 ~~adopt an ordinance, it shall be adopted no later than thirty~~  
20 ~~days after the public hearing.~~

21 ~~H. An ordinance adopted pursuant to Subsection G of~~  
22 ~~this section] G. A board of county commissioners may by~~  
23 ~~adoption of a county ordinance make available the property tax~~  
24 ~~rebate provided in this section benefiting low-income property~~  
25 ~~taxpayers. The ordinance shall specify the taxable years to~~

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1 which it is applicable. The board of county commissioners  
2 adopting an ordinance shall notify the department of the  
3 adoption of the ordinance and furnish a copy of the ordinance  
4 to the department no later than September 1 of the first  
5 taxable year to which the ordinance applies.

6 ~~[F.]~~ H. No later than December 31 of the year  
7 immediately following the first year in which the low-income  
8 taxpayer property tax rebate provided in the Income Tax Act is  
9 in effect for a county, and no later than December 31 of each  
10 year thereafter in which the tax rebate is in effect, the  
11 department shall certify to the county the amount of the loss  
12 of income tax revenue to the state for the previous taxable  
13 year attributable to the allowance of property tax rebates to  
14 taxpayers of that county. The county shall promptly pay the  
15 amount certified to the department. If a county fails to pay  
16 the amount certified within thirty days of the date of  
17 certification, the department may enforce collection of the  
18 amount by action against the county and may withhold from any  
19 revenue distribution to the county, not dedicated or pledged,  
20 amounts up to the amount certified.

21 ~~[J.]~~ I. As used in this section, "principal place of  
22 residence" means the dwelling owned and occupied by the  
23 taxpayer and so much of the land surrounding it, not to exceed  
24 five acres, as is reasonably necessary for use of the dwelling  
25 as a home and may consist of a part of a multidwelling or a

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1 multipurpose building and a part of the land upon which it is  
2 built."

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