

LFC Requester:

Laird Graeser

### AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 1/30/2026

*Check all that apply:*

**Bill Number:** SB156

Original X      Correction       
Amendment           Substitute     

**Sponsor:** Sen. Pete Campos

**Agency Name and Code Number:** 305 – New Mexico Department of Justice

**Person Writing**

**Short Title:** Social Security Income Tax Cap

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

**BILL SUMMARY**

Synopsis:

The Social Security Income Tax Cap Act (“Act”) would remove the current income limit prohibiting certain taxpayers from claiming an exemption on their state income taxes based on their adjusted gross income.

Section 1 removes the language prohibiting a Social Security benefits exemption toward a filer’s state income taxes for married individuals filing separately at \$75,000; for heads of household, surviving spouses and married individuals filing joint returns at \$150,000; and for single individuals at \$100,000.

Section 2 makes the Act applicable to taxable years beginning on or after January 1, 2026

**FISCAL IMPLICATIONS**

None for this office.

**SIGNIFICANT ISSUES**

None.

**PERFORMANCE IMPLICATIONS**

None.

**ADMINISTRATIVE IMPLICATIONS**

None.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Related to HB 264, which permits taxpayers to claim a deduction from net income equal to the amount of social security income for which the taxpayer is entitled to deduct under federal law.

**TECHNICAL ISSUES**

None.

**OTHER SUBSTANTIVE ISSUES**

None.

**ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

**AMENDMENTS**

None.