

LFC Requester:

Laird Graeser

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 1/27/2026

Check all that apply:

Bill Number: SB156Original  Correction Amendment  Substitute Sponsor: Sen. Pete CamposShort Title: Social Security Income TaxCapAgency Name  
and Code

Number:

Person Writing

Phone: (505)476-4566Regulation & Licensing  
Department (420)Mark Sadowski, Director- Financial Institutions  
DivisionEmail Mark.Sadowski@rld.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
(Indeterminate*)	(Indeterminate*)	(Indeterminate*)	Recurring	General Fund

(Parenthesis ( ) indicate revenue decreases)

\* See "Fiscal Implications" section, below.

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

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

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: Senate Bill 156 (SB 156) amends the Income Tax Act (Act) to remove the adjusted gross income (AGI) eligibility caps currently associated with New Mexico's Social Security income exemption under the Act. Under current law, eligibility for the exemption is limited to taxpayers with AGI not exceeding \$75,000 (married filing separately), \$150,000 (head of household/surviving spouse/married filing jointly), or \$100,000 (single); the bill strikes these income limits so that taxpayers may claim an exemption equal to the amount of Social Security income included in adjusted gross income pursuant to Internal Revenue Code Section 86, without regard to AGI. The bill applies to taxable years beginning on or after January 1, 2026.

#### **FISCAL IMPLICATIONS**

\* This bill removes the adjusted gross income eligibility thresholds for the Social Security income exemption. While this change may reduce general fund revenue due to expanded eligibility for the exemption, it does not directly affect the operating budget or funding sources of the Regulation and Licensing Department (RLD). No additional administrative costs or operational changes are anticipated for the RLD as a result of the bill.

#### **SIGNIFICANT ISSUES**

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

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

#### **AMENDMENTS**