

1 SENATE BILL 116

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

4 Jay C. Block and Anthony L. Thornton

10 AN ACT

11 RELATING TO INCOME TAX; REMOVING THE LIMIT ON THE AMOUNT OF THE
12 INCOME TAX EXEMPTION FOR UNIFORMED SERVICES RETIREMENT PAY.

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

15 **SECTION 1.** Section 7-2-5.13 NMSA 1978 (being Laws 2022,
16 Chapter 47, Section 6, as amended) is amended to read:

17 "7-2-5.13. EXEMPTION--~~ARMED FORCES~~ UNIFORMED SERVICES
18 RETIREMENT PAY.--

19 A. An individual who is ~~[an armed forces]~~ a
20 uniformed services retiree or the surviving spouse of ~~[an armed~~
21 ~~forces]~~ a uniformed services retiree may claim an exemption in
22 ~~[an amount equal to thirty thousand dollars (\$30,000) of armed~~
23 ~~forces]~~ the amount of the retiree's uniformed services
24 retirement pay includable, except for this exemption, in net
25 income.

.232531.2

underscored material = new
[bracketed material] = delete

1 B. As used in this section:

2 (1) "uniformed service" means:

3 (a) active and reserve components of the
4 army, navy, air force, space force, marine corps or coast guard
5 of the United States;

6 (b) the United States merchant marine;

7 (c) the commissioned corps of the United
8 States public health service;

9 (d) the commissioned corps of the
10 national oceanic and atmospheric administration of the United
11 States; or

12 (e) the national guard of a state; and

13 (2) "[armed forces] uniformed services
14 retiree" means a former member of the [armed forces] uniformed
15 services of the United States who has qualified by years of
16 service or disability to separate from [military] uniformed
17 service with lifetime benefits."

18 SECTION 2. APPLICABILITY.--The provisions of this act
19 apply to taxable years beginning on or after January 1, 2027.