

1 SENATE BILL 117

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 TAXATION; PROVIDING AN INCOME TAX EXEMPTION FOR
12 SALARIES PAID BY THE UNITED STATES FOR SERVICE IN THE UNIFORMED
13 SERVICES.

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

16 **SECTION 1.** Section 7-2-5.11 NMSA 1978 (being Laws 2007,
17 Chapter 45, Section 11) is amended to read:

18 "7-2-5.11. EXEMPTION--~~ARMED FORCES~~ UNIFORMED SERVICE
19 SALARIES.--

20 A. A salary paid by the United States to a taxpayer
21 for ~~active duty~~ service in the ~~armed forces~~ uniformed
22 services of the United States is exempt from state income
23 taxation.

24 B. A taxpayer allowed an exemption pursuant to this
25 section shall report the amount of the exemption to the

.232804.1

underscored material = new
[bracketed material] = delete

1 department in a manner required by the department.

2 C. The exemption provided by this section shall be
3 included in the tax expenditure budget pursuant to Section
4 7-1-84 NMSA 1978, including the annual aggregate cost of the
5 exemption.

6 D. As used in this section, "uniformed service"
7 means:

8 (1) active and reserve components of the army,
9 navy, air force, space force, marine corps or coast guard of
10 the United States;

11 (2) the United States merchant marine;

12 (3) the commissioned corps of the United
13 States public health service;

14 (4) the commissioned corps of the national
15 oceanic and atmospheric administration of the United States; or

16 (5) the national guard of a state."

17 SECTION 2. APPLICABILITY.--The provisions of this act
18 apply to taxable years beginning on or after January 1, 2026.