

SENATE BILL

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

INTRODUCED BY

DISCUSSION DRAFT

FOR THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

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

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

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

"7-2-5.13. EXEMPTION--~~[ARMED FORCES]~~ UNIFORMED SERVICES
RETIREMENT PAY.--

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

.232657.1

underscored material = new
[bracketed material] = delete

1 B. As used in this section, "[~~armed forces~~]
2 uniformed services retiree" means a former member of the [~~armed~~
3 ~~forces~~] uniformed services of the United States who has
4 qualified by years of service or disability to separate from
5 [~~military~~] uniformed service with lifetime benefits."

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

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