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SENATE BILL

55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022

INTRODUCED BY

FOR THE MILITARY AND VETERANS' AFFAIRS COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX DEDUCTION FOR
CERTAIN UNIFORMED SERVICES RETIREES AND THEIR SPOUSES.

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

SECTION 1. A new section of the Income Tax Act is enacted
to read:

"~~[NEW MATERIAL]~~ DEDUCTION--UNIFORMED SERVICES RETIREE
INCOME.--

A. A taxpayer who is not a dependent of another
individual and is a uniformed services retiree or the retiree's
surviving spouse or the spouse of a uniformed services member
who was killed in the line of duty while serving in the
uniformed services may claim a deduction from net income in the
following percentages of military retirement income that the
uniformed services retiree or the retiree's surviving spouse

.221303.1

underscored material = new
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1 received in a taxable year:

2 (1) for a taxable year beginning on or after
3 January 1, 2023 and prior to January 1, 2024, thirty-three
4 percent, not to exceed sixteen thousand three hundred thirty-
5 three dollars (\$16,333);

6 (2) for a taxable year beginning on or after
7 January 1, 2024 and prior to January 1, 2025, sixty-six
8 percent, not to exceed thirty-three thousand six hundred sixty-
9 six dollars (\$33,666); and

10 (3) for a taxable year beginning on or after
11 January 1, 2025, one hundred percent, not to exceed fifty
12 thousand dollars (\$50,000).

13 B. To claim a deduction pursuant to this section, a
14 taxpayer shall submit to the department information required by
15 the secretary establishing that the taxpayer is eligible to
16 claim a deduction pursuant to this section.

17 C. A taxpayer allowed a deduction pursuant to this
18 section shall report the amount of the deduction to the
19 department in a manner required by the department.

20 D. The department shall compile an annual report on
21 the deduction provided by this section that shall include the
22 number of taxpayers that claimed the deduction, the aggregate
23 amount of deductions claimed and any other information
24 necessary to evaluate the effectiveness of the deduction. The
25 department shall present the annual report to the revenue

.221303.1

underscored material = new
[bracketed material] = delete

1 stabilization and tax policy committee and the legislative
2 finance committee with an analysis of the effectiveness and
3 cost of the deduction and whether the deduction is performing
4 the purpose for which it was created.

5 E. As used in this section:

6 (1) "uniformed services" means the army, navy,
7 air force, marine corps, coast guard, army reserve, navy
8 reserve, air force reserve, marine corps reserve, coast guard
9 reserve, army national guard, air national guard, United States
10 public health service commissioned corps and the national
11 oceanic and atmospheric administration commissioned officer
12 corps; and

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

17 SECTION 2. APPLICABILITY.--The provisions of this act
18 apply to taxable years beginning on or after January 1, 2023.