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HOUSE BILL 37

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY

Ben Lujan

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO INCREASE
THE AMOUNT OF THE LOW-INCOME COMPREHENSIVE TAX REBATE FOR
CERTAIN FAMILIES AND TO PROVIDE AN ADDITIONAL TAX CREDIT TO
FAMILIES WITH CHILDREN SIX YEARS OF AGE AND YOUNGER.

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] EARLY CHILDHOOD ADVANTAGE CREDIT.--

A. A resident who files an individual New Mexico
income tax return, who is not a dependent of another taxpayer
and who is eligible for a low-income comprehensive tax rebate
may claim a credit of two hundred twenty-five dollars (\$225)
for each dependent of the resident who is six years of age or
younger on the first day of the taxable year, not to exceed a
total credit of six hundred seventy-five dollars (\$675). The

1 credit provided in this section shall be known as the "early
2 childhood advantage tax credit".

3 B. A husband and wife who file separate returns
4 for a taxable year in which they could have filed a joint
5 return may each claim only one-half of the early childhood
6 advantage tax credit that would have been allowed on a joint
7 return.

8 C. No claim for the tax credit provided in this
9 section shall be filed by a resident who was an inmate of a
10 public institution for more than six months during the
11 taxable year for which the tax credit could be claimed or who
12 was not physically present in New Mexico for at least six
13 months during the taxable year for which the tax credit could
14 be claimed.

15 D. The tax credit provided by this section may be
16 deducted from the taxpayer's New Mexico income tax liability
17 for the taxable year. If the tax credit exceeds the
18 taxpayer's income tax liability, the excess shall be refunded
19 to the taxpayer.

20 E. As used in this section: "dependent" means
21 "dependent" as defined in Section 152 of the Internal Revenue
22 Code, but also includes any minor child or stepchild of the
23 resident who would be a dependent for federal income tax
24 purposes if the public assistance contributing to the support
25 of the child or stepchild was considered to have been
contributed by the resident."

Section 2. Section 7-2-14 NMSA 1978 (being Laws 1972,

Chapter 20, Section 2, as amended) is amended to read:

"7-2-14. LOW-INCOME COMPREHENSIVE TAX REBATE.--

A. Except as otherwise provided in Subsection B of this section, any resident who files an individual New Mexico income tax return and who is not a dependent of another individual may claim a tax rebate for a portion of state and local taxes to which the resident has been subject during the taxable year for which the return is filed. The tax rebate may be claimed even though the resident has no income taxable under the Income Tax Act. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the tax rebate that would have been allowed on a joint return.

B. No claim for the tax rebate provided in this section shall be filed by a resident who was an inmate of a public institution for more than six months during the taxable year for which the tax rebate could be claimed or who was not physically present in New Mexico for at least six months during the taxable year for which the tax rebate could be claimed.

C. For the purposes of this section, the total number of exemptions for which a tax rebate may be claimed or allowed is determined by:

(1) adding the number of federal exemptions allowable for federal income tax purposes for each individual included in the return who is domiciled in New Mexico plus:

(a) two additional exemptions for each

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individual domiciled in New Mexico included in the return who
is sixty-five years of age or older; ~~[plus]~~

(b) one additional exemption for each
individual domiciled in New Mexico included in the return
who, for federal income tax purposes, is blind; ~~[plus one~~
~~exemption]~~

(c) two additional exemptions for each
minor child or stepchild of the resident; and

(d) three exemptions for each minor
child or stepchild of the resident who would be a dependent
for federal income tax purposes if the public assistance
contributing to the support of the child or stepchild was
considered to have been contributed by the resident; and

(2) subtracting from the number determined
in Paragraph (1) of this subsection the number of exemptions
for each individual included in the return who was an inmate
of a public institution for more than six months during the
taxable year, plus, if included in the calculation set forth
in Paragraph (1) of this subsection, two exemptions for each
such individual who was aged sixty-five years or older.

D. The tax rebate provided for in this section may
be claimed in the amount shown in the following table:

Modified gross		And the total number					
income is:		of exemptions is:					
But Not		6 or					
Over	Over	1	2	3	4	5	More
[\$ 0	\$ 500	\$ 120	\$ 160	\$ 200	\$ 240	\$ 280	\$ 320

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1	— 500 —	1,000 —	135 —	195 —	250 —	310 —	350 —	415
2	1,000 —	1,500 —	135 —	195 —	250 —	310 —	350 —	435
3	1,500 —	2,000 —	135 —	195 —	250 —	310 —	350 —	450
4	2,000 —	2,500 —	135 —	195 —	250 —	310 —	350 —	450
5	2,500 —	3,000 —	135 —	195 —	250 —	310 —	350 —	450
6	3,000 —	3,500 —	135 —	195 —	250 —	310 —	350 —	450
7	3,500 —	4,000 —	135 —	195 —	250 —	310 —	355 —	450
8	4,000 —	4,500 —	135 —	195 —	250 —	310 —	355 —	450
9	4,500 —	5,000 —	125 —	190 —	240 —	305 —	355 —	450
10	5,000 —	5,500 —	115 —	175 —	230 —	295 —	355 —	430
11	5,500 —	6,000 —	105 —	155 —	210 —	260 —	315 —	410
12	6,000 —	7,000 —	90 —	130 —	170 —	220 —	275 —	370
13	7,000 —	8,000 —	80 —	115 —	145 —	180 —	225 —	295
14	8,000 —	9,000 —	70 —	105 —	135 —	170 —	195 —	240
15	9,000 —	10,000 —	65 —	95 —	115 —	145 —	175 —	205
16	10,000 —	11,000 —	60 —	80 —	100 —	130 —	155 —	185
17	11,000 —	12,000 —	55 —	70 —	90 —	110 —	135 —	160
18	12,000 —	13,000 —	50 —	65 —	85 —	100 —	115 —	140
19	13,000 —	14,000 —	50 —	65 —	85 —	100 —	115 —	140
20	14,000 —	15,000 —	45 —	60 —	75 —	90 —	105 —	120
21	15,000 —	16,000 —	40 —	55 —	70 —	85 —	95 —	110
22	16,000 —	17,000 —	35 —	50 —	65 —	80 —	85 —	105
23	17,000 —	18,000 —	30 —	45 —	60 —	70 —	80 —	95
24	18,000 —	19,000 —	25 —	35 —	50 —	60 —	70 —	80
25	19,000 —	20,000 —	20 —	30 —	40 —	50 —	60 —	65
	20,000 —	21,000 —	15 —	25 —	30 —	40 —	50 —	55
	21,000 —	22,000 —	10 —	20 —	25 —	35 —	40 —	45]

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1	\$	0	\$	500	\$	120	\$	160	\$	200	\$	240	\$	280	\$	320
2		500		1,000		135		195		250		310		350		415
3		1,000		1,500		135		195		250		310		350		435
4		1,500		3,500		135		195		250		310		350		450
5		3,500		4,500		135		234		300		372		426		540
6		4,500		5,000		125		228		288		366		426		540
7		5,000		5,500		115		210		276		354		426		516
8		5,500		6,000		105		186		252		312		378		492
9		6,000		7,000		90		156		204		264		330		444
10		7,000		8,000		80		138		174		216		270		354
11		8,000		9,000		70		126		162		204		234		288
12		9,000		10,000		65		114		138		174		210		246
13		10,000		11,000		60		96		120		156		186		222
14		11,000		12,000		55		84		108		132		162		192
15		12,000		14,000		50		78		102		120		138		168
16		14,000		15,000		45		72		90		108		126		144
17		15,000		16,000		40		66		84		102		114		132
18		16,000		17,000		35		60		78		96		102		126
19		17,000		18,000		30		54		72		84		96		114
20		18,000		19,000		25		42		60		72		84		96
21		19,000		20,000		20		36		48		60		72		78
22		20,000		21,000		15		30		36		48		60		66
23		21,000		22,000		10		24		30		42		48		54.

E. If a taxpayer's modified gross income is zero, the taxpayer may claim a credit in the amount shown in the first row of the table appropriate for the taxpayer's number of exemptions.

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1 F. The tax rebates provided for in this section may
2 be deducted from the taxpayer's New Mexico income tax
3 liability for the taxable year. If the tax rebates exceed
4 the taxpayer's income tax liability, the excess shall be
5 refunded to the taxpayer.

6 G. For purposes of this section, "dependent" means
7 "dependent" as defined by Section 152 of the Internal Revenue
8 Code [~~of 1986~~], as that section may be amended or renumbered,
9 but also includes any minor child or stepchild of the
10 resident who would be a dependent for federal income tax
11 purposes if the public assistance contributing to the support
12 of the child or stepchild was considered to have been
13 contributed by the resident."

14 Section 3. APPLICABILITY.--The provisions of this act
15 apply to taxable years beginning on or after January 1, 2000.

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