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HOUSE BILL 56

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Larry A. Larranaga

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO EXPAND THE DEDUCTION FOR CAPITAL GAINS.

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

Section 1. Section 7-2-34 NMSA 1978 (being Laws 1999, Chapter 205, Section 1) is amended to read:

"7-2-34. DEDUCTION--NET CAPITAL GAIN INCOME. --

A. Except as provided in Subsection [B] C of this section, a taxpayer may claim a deduction from net income in an amount equal to the greater of:

(1) the taxpayer's net capital gain income for the taxable year for which the deduction is being claimed, but not to exceed one thousand dollars (\$1,000); or

(2) fifty percent of the taxpayer's net

underscored material = new
[bracketed material] = delete

1 capital gain income for the taxable year for which the
2 deduction is being claimed.

3 B. A husband and wife who file separate returns for
4 a taxable year in which they could have filed a joint return
5 may each claim only one-half of the deduction provided by this
6 section that would have been allowed on the joint return.

7 [~~B.-~~] C. A taxpayer may not claim the deduction
8 provided in Subsection A of this section if the taxpayer has
9 claimed the credit provided in Section 7-2D-8.1 NMSA 1978.

10 [~~C.-~~] D. As used in this section, "net capital gain"
11 means "net capital gain" as defined in Section 1222 (11) of the
12 Internal Revenue Code. "

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