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HOUSE BILL 3

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2005

INTRODUCED BY

Greg Payne

AN ACT

RELATING TO TAXATION; PROVIDING FOR AN EXCESS REVENUE TAX
REBATE; CREATING THE EXCESS REVENUE TAX REBATE FUND; PROVIDING
FOR A TRANSFER OF EXCESS REVENUE FROM THE GENERAL FUND; MAKING
AN APPROPRIATION.

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

Section 1. [NEW MATERIAL] EXCESS REVENUE TAX REBATE FUND
CREATED.--The "excess revenue tax rebate fund" is created in
the state treasury and shall consist of money appropriated or
transferred to the fund. The fund shall be administered by the
taxation and revenue department. Money in the fund shall not
be expended for any purpose other than making rebates to
taxpayers pursuant to the provisions of this 2005 act.

Section 2. [NEW MATERIAL] TRANSFER-- EXCESS REVENUE TAX
REBATE FUND.--If, at the end of any fiscal year, the difference

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1 between the amount of the general fund revenue received for
2 that fiscal year and the amount of the consensus general fund
3 revenue forecast available during the legislative session in
4 which the budget for that fiscal year was adopted is at least
5 one percent of the amount of the consensus revenue forecast,
6 an amount equal to that difference shall be transferred from
7 the general fund to the excess revenue tax rebate fund.

8 Section 3. A new section of the Income Tax Act is enacted
9 to read:

10 "[NEW MATERIAL] EXCESS REVENUE TAX REBATE. --

11 A. If a transfer to the excess revenue tax rebate
12 fund pursuant to Section 2 of this 2005 act has occurred, no
13 later than ninety days after the transfer the department shall
14 distribute the balance in the fund to eligible taxpayers
15 pursuant to the provisions of this section. These
16 distributions shall represent a rebate of a portion of taxes
17 paid to the state and shall be known as the "excess revenue tax
18 rebate".

19 B. Each resident of New Mexico who filed a New
20 Mexico personal income tax return for the prior taxable year
21 and who is not a dependent of another taxpayer is eligible to
22 receive one or more excess revenue tax rebates and shall be
23 known for the purposes of this section as an "eligible
24 taxpayer". A resident may be an eligible taxpayer even if the
25 resident had no income taxable pursuant to the Income Tax Act

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1 in the prior taxable year.

2 C. The number of excess revenue tax rebates payable
3 to an eligible taxpayer shall be the same as the number of
4 federal exemptions allowable for that eligible taxpayer for
5 federal income tax purposes on the New Mexico personal income
6 tax return filed by the eligible taxpayer for the prior taxable
7 year.

8 D. The department shall calculate the amount of an
9 excess revenue tax rebate by dividing the balance in the excess
10 revenue tax rebate fund by the total number of federal
11 exemptions allowable for federal income tax purposes that were
12 claimed on New Mexico personal income tax returns filed by
13 eligible taxpayers for the prior taxable year.

14 E. The department shall not make a distribution of
15 an excess revenue tax rebate to a person who:

16 (1) was an inmate of a public institution for
17 more than six months during the prior taxable year; or

18 (2) was not a resident of New Mexico on the
19 last day of the prior taxable year.

20 F. The secretary may adopt regulations necessary
21 to administer the provisions of this section."

22 Section 4. APPLICABILITY.--The provisions of this act
23 apply to the 2006 and subsequent fiscal years.