

1 SENATE BILL 475

2 **48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

3 INTRODUCED BY

4 Dede Feldman

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A TAX CREDIT FOR PERSONAL
12 INCOME TAXES PAID BY A NEW MEXICO RESIDENT INDIVIDUAL TO A
13 FOREIGN COUNTRY.

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

16 Section 1. Section 7-2-13 NMSA 1978 (being Laws 1965,
17 Chapter 202, Section 11, as amended) is amended to read:

18 "7-2-13. CREDIT FOR TAXES PAID OTHER STATES BY RESIDENT
19 INDIVIDUALS.--When a resident individual is liable to another
20 state or foreign country for tax upon income derived from
21 sources outside this state but also included in net income
22 under the Income Tax Act as income allocated or apportioned to
23 New Mexico pursuant to Section 7-2-11 NMSA 1978, the
24 individual, upon filing with the secretary satisfactory
25 evidence of the payment of the tax to the other state or

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1 foreign country, shall receive a credit against the tax due
2 this state in the amount of the tax paid the other state or
3 foreign country with respect to income that is required to be
4 either allocated or apportioned to New Mexico. However, in no
5 case shall the credit exceed five and one-half percent of
6 income that is required to be either allocated or apportioned
7 to New Mexico on which the tax payable to the other state or
8 foreign country was determined. The credit provided by this
9 section does not apply to or include income taxes paid to any
10 municipality, county or other political subdivision of a
11 state."

12 Section 2. APPLICABILITY.--The provisions of this act
13 apply to taxable years beginning on or after January 1, 2008.

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