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SENATE BILL 24

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

INTRODUCED BY

Bernadette M. Sanchez

AN ACT

PROVIDING A REFUNDABLE PERSONAL INCOME TAX CREDIT FOR TAXPAYERS
FILING RETURNS FOR THE 2007 TAXABLE YEAR; MAKING AN
APPROPRIATION; DECLARING AN EMERGENCY.

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] REFUNDABLE CREDIT--2007 TAXABLE YEAR.--

A. Except as otherwise provided in Subsection B of
this section, a taxpayer who for the 2007 taxable year files a
New Mexico income tax return, is a full-year or first-year
resident of New Mexico and is not a trust, estate or a
dependent of another taxpayer is allowed a credit in the amount
determined under Subsection C of this section. The credit may
be allowed even though the taxpayer has no income taxable under
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underscored material = new
[bracketed material] = delete

1 the Income Tax Act for the 2007 taxable year.

2 B. A claim for the refundable tax credit provided
3 in this section is not allowed for a resident who was an inmate
4 of a public institution for more than six months during the
5 2007 taxable year.

6 C. The tax credit allowed in this section shall be
7 in the amount determined from the following tables for:

8 (1) married taxpayers filing jointly:

Adjusted Gross Income		Credit Amount for Taxpayer and Spouse	Additional Credit Amount for Each Dependent
Over	Not Over		
	\$60,000	\$240	\$48.00
\$60,000	\$70,000	\$160	\$32.00
\$70,000	\$80,000	\$ 80.00	\$16.00
\$80,000		\$ 0.00	\$ 0.00; or

16 (2) taxpayers filing as single, head of
17 household, married filing separately or as a surviving spouse:

Adjusted Gross Income		Credit Amount for Taxpayer	Additional Credit Amount for Each Dependent
Over	Not Over		
	\$60,000	\$120	\$48.00
\$60,000	\$70,000	\$80.00	\$32.00
\$70,000	\$80,000	\$40.00	\$16.00
\$80,000		\$ 0.00	\$ 0.00.

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underscoring material = new
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1 D. The tax credit allowed in this section may be
2 credited by the department against the taxpayer's New Mexico
3 income tax liability. If the taxpayer is liable for interest
4 and penalties on the taxpayer's income tax liability for the
5 2007 taxable year prior to the effective date of this section,
6 the amount of interest and penalties shall not be recomputed
7 due to the credit provided by this section but may be satisfied
8 by applying the credit to the penalty or interest due.

9 Notwithstanding the provisions of Section 7-1-68 NMSA 1978,
10 interest in the amount established by Subsection B of Section
11 7-1-68 NMSA 1978 shall only be allowed and paid on the amount
12 to be refunded under Subsection E of this section if not
13 refunded or credited within one hundred twenty days after the
14 effective date of this section or the applicable period
15 established in Subsection D of Section 7-1-68 NMSA 1978,
16 whichever is later.

17 E. If the tax credit exceeds the taxpayer's income
18 tax liability, the excess shall be refunded to the taxpayer.

19 F. For purposes of this section, "dependent" means
20 "dependent" as defined by Section 152 of the Internal Revenue
21 Code."

22 Section 2. APPROPRIATION.--One million dollars
23 (\$1,000,000) is appropriated from the general fund to the
24 taxation and revenue department for expenditure in fiscal year
25 2009 to administer the tax credits adopted in the second

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1 special session of the forty-eighth legislature. Any
2 unexpended or unencumbered balance remaining at the end of
3 fiscal year 2009 shall revert to the general fund.

4 Section 3. APPLICABILITY.--The provisions of this act
5 apply to taxable years beginning between January 1, 2007 and
6 December 31, 2007.

7 Section 4. EMERGENCY.--It is necessary for the public
8 peace, health and safety that this act take effect immediately.

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