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HOUSE BILL 234

**49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010**

INTRODUCED BY

Antonio "Moe" Maestas

AN ACT

RELATING TO TAXATION; CREATING ADDITIONAL TAX BRACKETS FOR  
HIGHER LEVELS OF TAXABLE PERSONAL INCOME.

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

Section 1. Section 7-2-7 NMSA 1978 (being Laws 2005,  
Chapter 104, Section 4) is amended to read:

"7-2-7. INDIVIDUAL INCOME TAX RATES.--The tax imposed by  
Section 7-2-3 NMSA 1978 shall be at the following rates for any  
taxable year beginning on or after January 1, [~~2008~~] 2010:

A. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
Not over \$ 4,000	1.7% of taxable income
Over \$ 4,000 but not over \$ 8,000	\$ 68.00 plus 3.2% of excess over \$ 4,000
Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of

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1 excess over \$ 8,000  
2 Over \$ 12,000 but not over \$ 56,250 \$ 384 plus 4.9% of  
3 excess over \$ 12,000  
4 Over \$ 56,250 but not over \$187,500 \$ 2,552 plus 5.4% of  
5 excess over \$ 56,250  
6 Over \$187,500 but not over \$375,000 \$ 9,640 plus 5.9% of  
7 excess over \$187,500  
8 Over \$375,000 but not over \$750,000 \$ 20,702 plus 6.4% of  
9 excess over \$375,000  
10 Over \$750,000 \$ 44,702 plus 6.9% of  
11 excess over \$750,000.

12 B. For heads of household, surviving spouses and  
13 married individuals filing joint returns:

14 If the taxable income is: The tax shall be:  
15 Not over \$ 8,000 1.7% of taxable income  
16 Over \$ 8,000 but not over \$ 16,000 \$ 136 plus 3.2% of  
17 excess over \$ 8,000  
18 Over \$ 16,000 but not over \$ 24,000 \$ 392 plus 4.7% of  
19 excess over \$ 16,000  
20 Over \$ 24,000 but not over \$112,500 \$ 768 plus 4.9% of  
21 excess over \$ 24,000  
22 Over \$112,500 but not over \$375,000 \$ 5,105 plus 5.4% of  
23 excess over \$112,500  
24 Over \$375,000 but not over \$750,000 \$ 19,280 plus 5.9% of  
25 excess over \$375,000

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underscored material = new  
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1 Over \$750,000 but not over \$1,500,000 \$ 41,405 plus 6.4% of  
2 excess over \$750,000  
3 Over \$1,500,000 \$ 89,405 plus 6.9% of  
4 excess over \$1,500,000.

5 C. For single individuals and for estates and  
6 trusts:

7	If the taxable income is:	The tax shall be:
8	Not over \$ 5,500	1.7% of taxable income
9	Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of
10		excess over \$ 5,500
11	Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of
12		excess over \$ 11,000
13	Over \$ 16,000 <u>but not over \$ 75,000</u>	\$ 504.50 plus 4.9% of
14		excess over \$ 16,000
15	<u>Over \$ 75,000 but not over \$250,000</u>	<u>\$ 3,395.50 plus 5.4% of</u>
16		<u>excess over \$ 75,000</u>
17	<u>Over \$250,000 but not over \$500,000</u>	<u>\$ 12,845.50 plus 5.9% of</u>
18		<u>excess over \$250,000</u>
19	<u>Over \$500,000 but not over \$1,000,000</u>	<u>\$ 27,595.50 plus 6.4% of</u>
20		<u>excess over \$500,000</u>
21	<u>Over \$1,000,000</u>	<u>\$ 59,595.50 plus 6.9% of</u>
22		<u>excess over \$1,000,000.</u>

23 D. The tax on the sum of any lump-sum amounts  
24 included in net income is an amount equal to five multiplied by  
25 the difference between:

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underscored material = new  
~~[bracketed material]~~ = delete

1 (1) the amount of tax due on the taxpayer's  
2 taxable income; and

3 (2) the amount of tax that would be due on an  
4 amount equal to the taxpayer's taxable income and twenty  
5 percent of the taxpayer's lump-sum amounts included in net  
6 income."

7 Section 2. APPLICABILITY.--The provisions of this act  
8 apply to taxable years beginning on or after January 1, 2010.

9 Section 3. TEMPORARY PROVISION.--For the 2010 taxable  
10 year, a taxpayer is deemed to have complied with the provisions  
11 of Section 7-2-12.2 NMSA 1978 if the taxpayer has made the  
12 required annual payments of estimated taxes due for taxable  
13 year 2010 based on the provisions of the version of Section  
14 7-2-7 NMSA 1978 applicable on January 1, 2008 through December  
15 31, 2009.