

HOUSE BILL 245

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; RETURNING THE CAPITAL GAINS TAX TO PRE-  
2003 RATES.

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, as amended) is amended to read:

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

A. Except as provided in [~~Subsection C~~] Subsections  
B and 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) the following percentage of the taxpayer's  
net capital gain income for the taxable year for which the~~

.181408.1

underscoring material = new  
[bracketed material] = delete

underscored material = new  
[bracketed material] = delete

1 ~~deduction is being claimed:~~

2 ~~(a) for a taxable year beginning in~~  
3 ~~2003, ten percent;~~

4 ~~(b) for a taxable year beginning in~~  
5 ~~2004, twenty percent;~~

6 ~~(c) for a taxable year beginning in~~  
7 ~~2005, thirty percent;~~

8 ~~(d) for a taxable year beginning in~~  
9 ~~2006, forty percent; and~~

10 ~~(e) for taxable years beginning on or~~  
11 ~~after January 1, 2007, fifty percent].~~

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

16 C. A taxpayer may not claim the deduction provided  
17 in Subsection A of this section if the taxpayer has claimed the  
18 credit provided in Section 7-2D-8.1 NMSA 1978.

19 D. As used in this section, "net capital gain"  
20 means "net capital gain" as defined in Section 1222 (11) of the  
21 Internal Revenue Code."

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