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SENATE BILL 122

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

INTRODUCED BY

Bernadette M. Sanchez

AN ACT

RELATING TO REVENUE; IMPOSING A SURTAX OF ONE PERCENT ON HIGH-
INCOME NEW MEXICO TAXPAYERS.

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:

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 \$ 384 plus 4.9% of
3 excess over \$ 12,000.

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

6	If the taxable income is:	The tax shall be:
7	Not over \$8,000	1.7% of taxable income
8	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of
9		excess over \$ 8,000
10	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of
11		excess over \$ 16,000
12	Over \$ 24,000	\$ 768 plus 4.9% of
13		excess over \$ 24,000.

14 C. For single individuals and for estates and
15 trusts:

16	If the taxable income is:	The tax shall be:
17	Not over \$5,500	1.7% of taxable income
18	Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of
19		excess over \$ 5,500
20	Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of
21		excess over \$ 11,000
22	Over \$ 16,000	\$ 504.50 plus 4.9% of
23		excess over \$ 16,000.

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

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

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

8 E. The tax imposed by Section 7-2-3 NMSA 1978 is
9 increased by a surtax imposed at the rate of one percent on
10 taxable income in excess of:

11 (1) eighty thousand dollars (\$80,000) for
12 married individuals filing separate returns;

13 (2) one hundred sixty thousand dollars
14 (\$160,000) for heads of household, surviving spouses and
15 married individuals filing joint returns; or

16 (3) one hundred thousand dollars (\$100,000)
17 for single individuals and for estates and trusts."

18 Section 2. TEMPORARY PROVISION.--For the taxable year
19 2010, a taxpayer is deemed to have complied with the provisions
20 of Section 7-2-12.2 NMSA 1978 if the taxpayer has made the
21 first required annual payment of estimated taxes due for
22 taxable year 2010 based on the provisions of the version of
23 Section 7-2-7 NMSA 1978 applicable on January 1, 2009 through
24 December 31, 2010.

25 Section 3. APPLICABILITY.--The provisions of this act

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apply to any taxable year beginning on or after 2010.

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