

1 SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE SUBSTITUTE FOR
2 SENATE BILL 612

3 **50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

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10 AN ACT

11 RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
12 PROVIDING AN ALTERNATIVE SCHEDULE FOR COUNTY SELECTION IN
13 REGARD TO THE LOCAL OPTION LOW-INCOME PROPERTY TAX REBATE
14 PURSUANT TO THE INCOME TAX ACT.

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

17 **SECTION 1.** Section 7-2-14.3 NMSA 1978 (being Laws 1994,
18 Chapter 111, Section 1, as amended) is amended to read:

19 "7-2-14.3. TAX REBATE OF PART OF PROPERTY TAX DUE FROM
20 LOW-INCOME TAXPAYER--LOCAL OPTION--REFUND.--

21 A. The tax rebate provided by this section may be
22 claimed for the taxable year for which the return is filed by
23 an individual who:

24 (1) has [~~his~~] the principal place of residence
25 in a county that has adopted an ordinance pursuant to

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underscored material = new
[bracketed material] = delete

1 Subsection G of this section;

2 (2) is not a dependent of another individual;

3 (3) files a return; and

4 (4) incurred a property tax liability on ~~his~~
5 the principal place of residence in the taxable year.

6 B. The tax rebate provided by this section shall be
7 allowed for any individual eligible to claim the refund
8 pursuant to Subsection A of this section and who:

9 (1) was not an inmate of a public institution
10 for more than six months during the taxable year;

11 (2) was physically present in New Mexico for at
12 least six months during the taxable year for which the rebate
13 is claimed; and

14 (3) is eligible for the rebate as a low-income
15 property taxpayer in accordance with the provisions of
16 Subsection D of this section.

17 C. A husband and wife who file separate returns for
18 the taxable year in which they could have filed a joint return
19 may each claim only one-half of the tax rebate that would have
20 been allowed on the joint return.

21 D. As used in the table in this subsection, "property
22 tax liability" means the amount of property tax resulting from
23 the imposition of the county and municipal property tax
24 operating impositions on the net taxable value of the
25 taxpayer's principal place of residence calculated for the year

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1 for which the rebate is claimed. The tax rebate provided in
 2 this section is as specified in the following ~~[table]~~ tables:

3 (1) LOW-INCOME TAXPAYER'S PROPERTY TAX REBATE TABLE 1

Taxpayer's Modified Gross Income		Property Tax Rebate
	<u>But Not</u>	
<u>Over</u>	<u>Over</u>	
\$ 0	\$ 8,000	75% of property tax liability
8,000	10,000	70% of property tax liability
10,000	12,000	65% of property tax liability
12,000	14,000	60% of property tax liability
14,000	16,000	55% of property tax liability
16,000	18,000	50% of property tax liability
18,000	20,000	45% of property tax liability
20,000	22,000	40% of property tax liability
22,000	24,000	35% of property tax liability; <u>or</u>

16 (2) LOW-INCOME TAXPAYER'S PROPERTY TAX REBATE

17 TABLE 2

<u>Taxpayer's Modified Gross Income</u>		<u>Property Tax Rebate</u>
	<u>But Not</u>	
<u>Over</u>	<u>Over</u>	
<u>\$ 0</u>	<u>\$ 8,000</u>	<u>75% of property tax liability</u>
<u>8,000</u>	<u>10,000</u>	<u>70% of property tax liability</u>
<u>10,000</u>	<u>12,000</u>	<u>65% of property tax liability</u>
<u>12,000</u>	<u>14,000</u>	<u>60% of property tax liability</u>
<u>14,000</u>	<u>16,000</u>	<u>55% of property tax liability.</u>

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1 E. If a taxpayer's modified gross income is zero, the
2 taxpayer may claim a tax rebate in the amount shown in the
3 first row of the table. The tax rebate provided for in this
4 section shall not exceed three hundred fifty dollars (\$350) per
5 return and, if a return is filed separately that could have
6 been filed jointly, the tax rebate shall not exceed one hundred
7 seventy-five dollars (\$175). No tax rebate shall be allowed
8 any taxpayer whose modified gross income exceeds twenty-four
9 thousand dollars (\$24,000) if Table 1 is adopted by a county or
10 sixteen thousand dollars (\$16,000) if Table 2 is adopted by a
11 county.

12 F. The tax rebate provided for in this section may be
13 deducted from the taxpayer's New Mexico income tax liability
14 for the taxable year. If the tax rebate exceeds the taxpayer's
15 income tax liability, the excess shall be refunded to the
16 taxpayer.

17 G. In January of every odd-numbered year in which a
18 county does not have in effect an ordinance adopted pursuant to
19 this subsection, the board of county commissioners of the
20 county shall conduct a public hearing on the question of
21 whether one of the property tax rebate options provided in the
22 tables set forth in this section benefiting low-income property
23 taxpayers in the county should be made available through
24 adoption of a county ordinance, including either Table 1 or
25 Table 2 from this section. Notice of the public hearing shall

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1 be published once at least two weeks prior to the hearing date
2 in at least one newspaper of general circulation in the county
3 and broadcast at some time within the week before the hearing
4 on at least one radio station with substantial broadcasting
5 coverage in the county. At the public hearing, the board shall
6 take action on the question and if a majority of the members
7 elected votes to adopt an ordinance, including either Table 1
8 or Table 2 as set forth in this section, it shall be adopted no
9 later than thirty days after the public hearing.

10 H. An ordinance adopted pursuant to Subsection G of
11 this section shall specify the taxable years to which it is
12 applicable. The board of county commissioners adopting an
13 ordinance shall notify the department of the adoption of the
14 ordinance, including either Table 1 or Table 2 as set forth in
15 this section, and furnish a copy of the ordinance to the
16 department no later than September 1 of the first taxable year
17 to which the ordinance applies.

18 I. No later than December 31 of the year immediately
19 following the first year in which the low-income taxpayer
20 property tax rebate provided in the Income Tax Act is in effect
21 for a county, and no later than December 31 of each year
22 thereafter in which the tax rebate is in effect, the department
23 shall certify to the county the amount of the loss of income
24 tax revenue to the state for the previous taxable year
25 attributable to the allowance of property tax rebates to

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1 taxpayers of that county. The county shall promptly pay the
2 amount certified to the department. If a county fails to pay
3 the amount certified within thirty days of the date of
4 certification, the department may enforce collection of the
5 amount by action against the county and may withhold from any
6 revenue distribution to the county, not dedicated or pledged,
7 amounts up to the amount certified.

8 J. As used in this section, "principal place of
9 residence" means the dwelling owned and occupied by the
10 taxpayer and so much of the land surrounding it, not to exceed
11 five acres, as is reasonably necessary for use of the dwelling
12 as a home and may consist of a part of a multidwelling or a
13 multipurpose building and a part of the land upon which it is
14 built."

15 SECTION 2. APPLICABILITY.--The provisions of this act
16 apply to taxable years for income tax purposes and property tax
17 years beginning on or after January 1, 2011.