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HOUSE BILL 572

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

INTRODUCED BY

Miguel P. Garcia

AN ACT

RELATING TO TAXATION; RESTORING PROGRESSIVITY TO THE RATES OF
INCOME TAX PAID PURSUANT TO THE INCOME TAX ACT.

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:

A. For any taxable year beginning on or after
January 1, [~~2008~~] 2011:

~~[A.]~~ (1) 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

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1 excess over \$ 4,000
2 Over \$ 8,000 but not over \$ 12,000 \$ 196 plus 4.7% of
3 excess over \$ 8,000
4 Over \$ 12,000 but not over \$125,000 \$ 384 plus 4.9% of
5 excess over \$ 12,000
6 Over \$125,000 \$5,921 plus 5.3% of
7 excess over \$125,000.

8 [~~B-~~] (2) For heads of household, surviving
9 spouses and married individuals filing joint returns:

10	If the taxable income is:	The tax shall be:
11	Not over \$8,000	1.7% of taxable income
12	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of
13		excess over \$ 8,000
14	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of
15		excess over \$ 16,000
16	Over \$ 24,000 <u>but not over \$250,000</u>	\$ 768 plus 4.9% of
17		excess over \$ 24,000
18	<u>Over \$250,000</u>	<u>\$11,842 plus 5.3% of</u>
19		<u>excess over \$250,000.</u>

20 [~~G-~~] (3) For single individuals and for
21 estates and trusts:

22	If the taxable income is:	The tax shall be:
23	Not over \$5,500	1.7% of taxable income
24	Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of
25		excess over \$ 5,500

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underscored material = new
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1 Over \$ 11,000 but not over \$ 16,000 \$ 269.50 plus 4.7% of
2 excess over \$ 11,000
3 Over \$ 16,000 but not over \$167,000 \$ 504.50 plus 4.9% of
4 excess over \$ 16,000
5 Over \$167,000 \$7,903.50 plus 5.3% of
6 excess over \$167,000.

7 B. For any taxable year beginning on or after
8 January 1, 2012:

9 (1) For married individuals filing separate
10 returns:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
11 <u>Not over \$ 4,000</u>	<u>1.7% of taxable income</u>
12 <u>Over \$ 4,000 but not over \$ 8,000</u>	<u>\$ 68.00 plus 3.2% of</u>
13 <u>Over \$ 8,000 but not over \$ 12,000</u>	<u>excess over \$ 4,000</u>
14 <u>Over \$ 12,000 but not over \$125,000</u>	<u>\$ 196 plus 4.7% of</u>
15 <u>Over \$ 125,000 but not over \$250,000</u>	<u>excess over \$ 8,000</u>
16 <u>Over \$250,000</u>	<u>\$ 384 plus 4.9% of</u>
17 <u>Over \$ 4,000 but not over \$ 8,000</u>	<u>excess over \$ 12,000</u>
18 <u>Over \$ 8,000 but not over \$ 12,000</u>	<u>\$5,921 plus 5.3% of</u>
19 <u>Over \$12,000 but not over \$250,000</u>	<u>excess over \$125,000</u>
20 <u>Over \$250,000</u>	<u>\$12,546 plus 6.0% of</u>
21 <u>Over \$250,000</u>	<u>excess over \$250,000.</u>

22
23 (2) For heads of household, surviving spouses
24 and married individuals filing joint returns:

25 If the taxable income is: The tax shall be:

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1	<u>Not over \$ 8,000</u>	<u>1.7% of taxable income</u>
2	<u>Over \$ 8,000 but not over \$ 16,000</u>	<u>\$ 136 plus 3.2% of</u>
3		<u>excess over \$ 8,000</u>
4	<u>Over \$ 16,000 but not over \$ 24,000</u>	<u>\$ 392 plus 4.7% of</u>
5		<u>excess over \$ 16,000</u>
6	<u>Over \$ 24,000 but not over \$250,000</u>	<u>\$ 768 plus 4.9% of</u>
7		<u>excess over \$ 24,000</u>
8	<u>Over \$250,000 but not over \$500,000</u>	<u>\$11,842 plus 5.3% of</u>
9		<u>excess over \$250,000</u>
10	<u>Over \$500,000</u>	<u>\$25,092 plus 6.0% of</u>
11		<u>excess over \$500,000.</u>

12 (3) For single individuals and for estates and
13 trusts:

14	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
15	<u>Not over \$ 5,500</u>	<u>1.7% of taxable income</u>
16	<u>Over \$ 5,500 but not over \$ 11,000</u>	<u>\$ 93.50 plus 3.2% of</u>
17		<u>excess over \$ 5,500</u>
18	<u>Over \$ 11,000 but not over \$ 16,000</u>	<u>\$ 269.50 plus 4.7% of</u>
19		<u>excess over \$ 11,000</u>
20	<u>Over \$ 16,000 but not over \$167,000</u>	<u>\$ 504.50 plus 4.9% of</u>
21		<u>excess over \$ 16,000</u>
22	<u>Over \$167,000 but not over \$333,000</u>	<u>\$7,903.50 plus 5.3% of</u>
23		<u>excess over \$167,000</u>
24	<u>Over \$333,000</u>	<u>\$16,701.50 plus 6.0% of</u>
25		<u>excess over \$333,000.</u>

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1 C. For any taxable year beginning on or after
2 January 1, 2013:

3 (1) For married individuals filing separate
4 returns:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
6 <u>Not over \$ 4,000</u>	<u>1.7% of taxable income</u>
7 <u>Over \$ 4,000 but not over \$ 8,000</u>	<u>\$ 68.00 plus 3.2% of</u> 8 <u>excess over \$ 4,000</u>
9 <u>Over \$ 8,000 but not over \$ 12,000</u>	<u>\$ 196 plus 4.7% of</u> 10 <u>excess over \$ 8,000</u>
11 <u>Over \$ 12,000 but not over \$125,000</u>	<u>\$ 384 plus 4.9% of</u> 12 <u>excess over \$ 12,000</u>
13 <u>Over \$125,000 but not over \$250,000</u>	<u>\$ 5,921 plus 5.3% of</u> 14 <u>excess over \$125,000</u>
15 <u>Over \$250,000 but not over \$500,000</u>	<u>\$ 12,546 plus 6.0% of</u> 16 <u>excess over \$250,000</u>
17 <u>Over \$500,000</u>	<u>\$ 27,546 plus 6.8% of</u> 18 <u>excess over \$500,000.</u>

19 (2) For heads of household, surviving spouses
20 and married individuals filing joint returns:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
22 <u>Not over \$ 8,000</u>	<u>1.7% of taxable income</u>
23 <u>Over \$ 8,000 but not over \$ 16,000</u>	<u>\$ 136 plus 3.2% of</u> 24 <u>excess over \$ 8,000</u>
25 <u>Over \$ 16,000 but not over \$ 24,000</u>	<u>\$ 392 plus 4.7% of</u>

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1		<u>excess over \$ 16,000</u>
2	<u>Over \$ 24,000 but not over \$250,000</u>	<u>\$ 768 plus 4.9% of</u>
3		<u>excess over \$ 24,000</u>
4	<u>Over \$250,000 but not over \$500,000</u>	<u>\$ 11,842 plus 5.3% of</u>
5		<u>excess over \$250,000</u>
6	<u>Over \$500,000 but not over \$1,000,000</u>	<u>\$ 25,092 plus 6.0% of</u>
7		<u>excess over \$500,000</u>
8	<u>Over \$1,000,000</u>	<u>\$ 55,092 plus 6.8% of</u>
9		<u>excess over \$1,000,000.</u>

10 (3) For single individuals and for estates and

11 trusts:

12 If the taxable income is:

The tax shall be:

13	<u>Not over \$ 5,500</u>	<u>1.7% of taxable income</u>
14	<u>Over \$ 5,500 but not over \$ 11,000</u>	<u>\$ 93.50 plus 3.2% of</u>
15		<u>excess over \$ 5,500</u>
16	<u>Over \$ 11,000 but not over \$ 16,000</u>	<u>\$ 269.50 plus 4.7% of</u>
17		<u>excess over \$ 11,000</u>
18	<u>Over \$ 16,000 but not over \$167,000</u>	<u>\$ 504.50 plus 4.9% of</u>
19		<u>excess over \$ 16,000</u>
20	<u>Over \$167,000 but not over \$333,000</u>	<u>\$ 7,903.50 plus 5.3% of</u>
21		<u>excess over \$167,000</u>
22	<u>Over \$333,000 but not over \$667,000</u>	<u>\$ 16,701.50 plus 6.0% of</u>
23		<u>excess over \$333,000</u>
24	<u>Over \$667,000</u>	<u>\$ 36,741.50 plus 6.8% of</u>
25		<u>excess over \$667,000.</u>

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