

1 SENATE BILL 339

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

3 INTRODUCED BY

4 Jacob R. Candelaria

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10 AN ACT

11 RELATING TO TAXATION; INCREASING THE LOW-INCOME COMPREHENSIVE
12 TAX REBATE; INCREASING THE AMOUNT OF THE WORKING FAMILIES TAX
13 CREDIT AND EXPANDING ELIGIBILITY REQUIREMENTS FOR THE CREDIT;
14 REQUIRING WITHHOLDERS OF THE WITHHOLDING TAX TO PROVIDE TO
15 WITHHOLDEES INFORMATION REGARDING STATE ASSISTANCE FOR
16 LOW-INCOME NEW MEXICANS FROM THE TAXATION AND REVENUE
17 DEPARTMENT.

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

20 SECTION 1. Section 7-2-14 NMSA 1978 (being Laws 1972,
21 Chapter 20, Section 2, as amended) is amended to read:

22 "7-2-14. LOW-INCOME COMPREHENSIVE TAX REBATE.--

23 A. Except as otherwise provided in Subsection B of
24 this section, any resident who files an individual New Mexico
25 income tax return and who is not a dependent of another

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1 individual may claim a tax rebate for a portion of state and
2 local taxes to which the resident has been subject during the
3 taxable year for which the return is filed. The tax rebate may
4 be claimed even though the resident has no income taxable under
5 the Income Tax Act. ~~[A husband and wife]~~ Married individuals
6 who file separate returns for a taxable year in which they
7 could have filed a joint return may each claim only one-half of
8 the tax rebate that would have been allowed on a joint return.

9 B. No claim for the tax rebate provided in this
10 section shall be filed by a resident who was an inmate of a
11 public institution for more than six months during the taxable
12 year for which the tax rebate could be claimed or who was not
13 physically present in New Mexico for at least six months during
14 the taxable year for which the tax rebate could be claimed.

15 C. For the purposes of this section, the total
16 number of exemptions for which a tax rebate may be claimed or
17 allowed is determined by adding the number of federal
18 exemptions allowable for federal income tax purposes for each
19 individual included in the return who is domiciled in New
20 Mexico plus two additional exemptions for each individual
21 domiciled in New Mexico included in the return who is sixty-
22 five years of age or older plus one additional exemption for
23 each individual domiciled in New Mexico included in the return
24 who, for federal income tax purposes, is blind plus one
25 exemption for each minor child or stepchild of the resident who

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1 would be a dependent for federal income tax purposes if the
 2 public assistance contributing to the support of the child or
 3 stepchild was considered to have been contributed by the
 4 resident.

5 D. The tax rebate provided for in this section may
 6 be claimed in the amount shown in the following table:

7	Modified gross		And the total number					
8	income is:		of exemptions is:					
9		But Not						6 or
10	Over	Over	1	2	3	4	5	More
11	[\$—0	\$—500	\$—120	\$—160	\$—200	\$—240	\$—280	\$—320
12	500	1,000	135	195	250	310	350	415
13	1,000	1,500	135	195	250	310	350	435
14	1,500	2,000	135	195	250	310	350	450
15	2,000	2,500	135	195	250	310	350	450
16	2,500	3,000	135	195	250	310	350	450
17	3,000	3,500	135	195	250	310	350	450
18	3,500	4,000	135	195	250	310	355	450
19	4,000	4,500	135	195	250	310	355	450
20	4,500	5,000	125	190	240	305	355	450
21	5,000	5,500	115	175	230	295	355	430
22	5,500	6,000	105	155	210	260	315	410
23	6,000	7,000	90	130	170	220	275	370
24	7,000	8,000	80	115	145	180	225	295
25	8,000	9,000	70	105	135	170	195	240

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1	9,000	10,000	65	95	115	145	175	205
2	10,000	11,000	60	80	100	130	155	185
3	11,000	12,000	55	70	90	110	135	160
4	12,000	13,000	50	65	85	100	115	140
5	13,000	14,000	50	65	85	100	115	140
6	14,000	15,000	45	60	75	90	105	120
7	15,000	16,000	40	55	70	85	95	110
8	16,000	17,000	35	50	65	80	85	105
9	17,000	18,000	30	45	60	70	80	95
10	18,000	19,000	25	35	50	60	70	80
11	19,000	20,000	20	30	40	50	60	65
12	20,000	21,000	15	25	30	40	50	55
13	21,000	22,000	10	20	25	35	40	45]
14	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 195</u>	<u>\$ 260</u>	<u>\$ 325</u>	<u>\$ 390</u>	<u>\$ 455</u>	<u>\$ 520</u>
15	<u>1,000</u>	<u>1,500</u>	<u>220</u>	<u>315</u>	<u>405</u>	<u>505</u>	<u>570</u>	<u>675</u>
16	<u>1,500</u>	<u>2,500</u>	<u>220</u>	<u>315</u>	<u>405</u>	<u>505</u>	<u>570</u>	<u>705</u>
17	<u>2,500</u>	<u>7,500</u>	<u>220</u>	<u>315</u>	<u>405</u>	<u>505</u>	<u>570</u>	<u>730</u>
18	<u>7,500</u>	<u>8,000</u>	<u>205</u>	<u>310</u>	<u>390</u>	<u>495</u>	<u>575</u>	<u>730</u>
19	<u>8,000</u>	<u>9,000</u>	<u>185</u>	<u>285</u>	<u>375</u>	<u>480</u>	<u>575</u>	<u>700</u>
20	<u>9,000</u>	<u>10,000</u>	<u>170</u>	<u>250</u>	<u>340</u>	<u>425</u>	<u>510</u>	<u>665</u>
21	<u>10,000</u>	<u>11,500</u>	<u>145</u>	<u>210</u>	<u>275</u>	<u>360</u>	<u>445</u>	<u>600</u>
22	<u>11,500</u>	<u>13,000</u>	<u>130</u>	<u>185</u>	<u>235</u>	<u>295</u>	<u>365</u>	<u>480</u>
23	<u>13,000</u>	<u>14,500</u>	<u>115</u>	<u>170</u>	<u>220</u>	<u>275</u>	<u>315</u>	<u>390</u>
24	<u>14,500</u>	<u>16,500</u>	<u>105</u>	<u>155</u>	<u>185</u>	<u>235</u>	<u>285</u>	<u>335</u>
25	<u>16,500</u>	<u>18,000</u>	<u>100</u>	<u>130</u>	<u>165</u>	<u>210</u>	<u>250</u>	<u>300</u>

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1	<u>18,000</u>	<u>19,500</u>	<u>90</u>	<u>115</u>	<u>145</u>	<u>180</u>	<u>220</u>	<u>260</u>
2	<u>19,500</u>	<u>21,000</u>	<u>80</u>	<u>105</u>	<u>140</u>	<u>165</u>	<u>185</u>	<u>230</u>
3	<u>21,000</u>	<u>23,000</u>	<u>80</u>	<u>105</u>	<u>140</u>	<u>165</u>	<u>185</u>	<u>230</u>
4	<u>23,000</u>	<u>24,500</u>	<u>75</u>	<u>100</u>	<u>120</u>	<u>145</u>	<u>170</u>	<u>195</u>
5	<u>24,500</u>	<u>26,000</u>	<u>65</u>	<u>90</u>	<u>115</u>	<u>140</u>	<u>155</u>	<u>180</u>
6	<u>26,000</u>	<u>27,500</u>	<u>55</u>	<u>80</u>	<u>105</u>	<u>130</u>	<u>140</u>	<u>170</u>
7	<u>27,500</u>	<u>29,500</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>115</u>	<u>130</u>	<u>155</u>
8	<u>29,500</u>	<u>31,000</u>	<u>40</u>	<u>55</u>	<u>80</u>	<u>100</u>	<u>115</u>	<u>130</u>
9	<u>31,000</u>	<u>32,500</u>	<u>35</u>	<u>50</u>	<u>65</u>	<u>80</u>	<u>100</u>	<u>105</u>
10	<u>32,500</u>	<u>34,000</u>	<u>25</u>	<u>40</u>	<u>50</u>	<u>65</u>	<u>80</u>	<u>90</u>
11	<u>34,000</u>	<u>36,000</u>	<u>15</u>	<u>35</u>	<u>40</u>	<u>55</u>	<u>65</u>	<u>75</u> .

12 E. If a taxpayer's modified gross income is zero,
13 the taxpayer may claim a credit in the amount shown in the
14 first row of the table appropriate for the taxpayer's number of
15 exemptions.

16 F. The tax rebates provided for in this section may
17 be deducted from the taxpayer's New Mexico income tax liability
18 for the taxable year. If the tax rebates exceed the taxpayer's
19 income tax liability, the excess shall be refunded to the
20 taxpayer.

21 G. The rebate provided by this section may be
22 referred to as the "low-income comprehensive tax rebate".

23 H. The department shall compile an annual report on
24 the rebate provided by this section that shall include the
25 number of taxpayers approved by the department to receive the

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1 rebate, the aggregate amount of rebates approved and any other
2 information necessary to evaluate the rebate. The department
3 shall present the report to the revenue stabilization and tax
4 policy committee, the legislative finance committee and the
5 legislative health and human services committee with an
6 analysis of the cost of the rebate.

7 [G.] I. For purposes of this section, "dependent"
8 means "dependent" as defined by Section 152 of the Internal
9 Revenue Code of 1986, as that section may be amended or
10 renumbered, but also includes any minor child or stepchild of
11 the resident who would be a dependent for federal income tax
12 purposes if the public assistance contributing to the support
13 of the child or stepchild was considered to have been
14 contributed by the resident."

15 SECTION 2. Section 7-2-18.15 NMSA 1978 (being Laws 2007,
16 Chapter 45, Section 9, as amended) is amended to read:

17 "7-2-18.15. WORKING FAMILIES TAX CREDIT.--

18 A. A taxpayer who is a resident and who files an
19 individual New Mexico income tax return may claim a credit in
20 an amount equal to [~~seventeen~~] twenty-five percent of the
21 federal earned income tax credit for which that individual is
22 eligible for the same taxable year [~~pursuant to Section 32 of~~
23 ~~the Internal Revenue Code~~] or would have been eligible but for
24 the identification number requirement pursuant to 26 U.S.C.
25 32(m), as that section may be amended or renumbered.

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1 B. A taxpayer who is a resident and who files an
2 individual New Mexico tax return may claim a credit in an
3 amount equal to twenty-five percent of the federal earned
4 income tax credit for which that taxpayer would have been
5 eligible for the same taxable year but for the age requirement
6 pursuant to 26 U.S.C. 32(c)(1)(A)(II), as that section may be
7 amended or renumbered; provided that the taxpayer is at least
8 eighteen years of age but has not reached the age of
9 twenty-five.

10 C. The credit provided in this section may be
11 referred to as the "working families tax credit".

12 ~~[B-]~~ D. The working families tax credit may be
13 deducted from the income tax liability of an individual who
14 claims the credit and qualifies for the credit pursuant to this
15 section. If the credit exceeds the individual's income tax
16 liability for the taxable year, the excess shall be refunded to
17 the individual.

18 E. As used in this section, "federal earned income
19 tax credit" means the tax credit allowed pursuant to 26 U.S.C.
20 32, as that section may be amended or renumbered."

21 SECTION 3. Section 7-3-8 NMSA 1978 (being Laws 1961,
22 Chapter 243, Section 9, as amended) is amended to read:

23 "7-3-8. ~~[COPY OF THE]~~ ANNUAL STATEMENT OF WITHHOLDING AND
24 INFORMATION REGARDING STATE ASSISTANCE FOR LOW-INCOME NEW
25 MEXICANS TO BE ~~[FURNISHED THE WITHHOLDEE]~~ PROVIDED TO

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1 WITHHOLDEES.-- ~~[A copy of the annual statement of withholding~~
2 ~~shall be furnished to the withholder by the withholder]~~ On or
3 before January 31 of the year following that for which the
4 annual statement of withholding is made pursuant to Section
5 7-3-7 NMSA 1978, a withholder shall provide to a withholder:

6 A. a copy of the annual statement of withholding;
7 and

8 B. information regarding state assistance for low-
9 income New Mexicans, including information regarding refundable
10 tax rebates and credits for low-income filers provided by the
11 state, such as the low-income comprehensive tax rebate and the
12 working families tax credit. The information shall be provided
13 in English and in Spanish on a form and in a manner required by
14 the department, and the department shall make the information
15 available on the department's website."

16 **SECTION 4. APPLICABILITY.--**The provisions of this act
17 apply to taxable years beginning on or after January 1, 2021.