

SENATE BILL 114

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Bill Tallman

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO TAXATION; PROVIDING AN EXEMPTION FOR CERTAIN PUBLIC EMPLOYEE RETIREMENT INCOME THAT IS ATTRIBUTABLE TO WAGES FROM PUBLIC EMPLOYMENT THAT ARE NOT SUBJECT TO THE FEDERAL SOCIAL SECURITY TAX.

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

SECTION 1. Section 7-2-5.14 NMSA 1978 (being Laws 2022, Chapter 47, Section 7) is amended to read:

.226860.1AIC February 12, 2024 (1:48pm)

underscoring material = new
[bracketed material] = delete
Amendments: new = → bold, blue, highlight
delete = → bold, red, highlight, strikethrough

"7-2-5.14. EXEMPTION--SOCIAL SECURITY INCOME OR CERTAIN
PUBLIC EMPLOYEE RETIREMENT INCOME.--

A. Except as provided in Subsection B of this section, an individual may claim an exemption in [~~an amount equal to the amount~~] one of the following amounts included in adjusted gross income [~~pursuant to Section 86 of the Internal Revenue Code, as that section may be amended or renumbered~~] of income includable except for this exemption in net income [~~provided that~~]:

(1) the amount pursuant to Section 86 of the Internal Revenue Code; or

(2) the amount from certain public employee retirement income.

B. To be eligible to claim the exemption provided by this section, the individual's adjusted gross income shall not exceed:

[~~A.~~] (1) seventy-five thousand dollars (\$75,000) for married individuals filing separate returns;

[~~B.~~] (2) one hundred fifty thousand dollars (\$150,000) for heads of household, surviving spouses and married individuals filing joint returns; and

[~~C.~~] (3) one hundred thousand dollars (\$100,000) for single individuals.

C. As used in this section:

(1) "certain public employee retirement

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income" means income from a pension or other retirement benefit pursuant to a public retirement system that is attributable to wages:

(a) from employment for an employer that is STBTC→the federal government or←STBTC a state, a political subdivision of a state or an instrumentality of a state or political subdivision of a state;

(b) that are exempt, pursuant to Section 3121(b)(7) of the federal Social Security Act, from the tax imposed pursuant to Section 3101(a) of the Internal Revenue Code; and

(c) for services performed by an individual for which an agreement pursuant to Section 218 of the federal Social Security Act has not been entered to extend social security benefits to the individual pursuant to subchapter II of the federal Social Security Act; and

(2) "social security income" means income pursuant to Section 86 of the Internal Revenue Code.

D. References to sections or subchapters of a federal law in this section shall be to those sections or subchapters as they may be amended or renumbered."

SECTION 2. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2024.