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HOUSE BILL 1215

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

DANICE PICRAUX

AN ACT

RELATING TO TAXATION; AMENDING A SECTION OF THE INCOME TAX ACT
TO REFORMULATE AND INDEX THE EXEMPTION FOR PERSONS WHO ARE
SIXTY-FIVE YEARS OF AGE AND OLDER OR BLIND.

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

Section 1. Section 7-2-5.2 NMSA 1978 (being Laws 1985,
Chapter 114, Section 1, as amended) is amended to read:

"7-2-5.2. EXEMPTION--INCOME OF PERSONS SIXTY-FIVE AND
OLDER OR BLIND.--

A. For taxable years beginning on or after January
1, 1997, any individual sixty-five years of age or older or who,
for federal income tax purposes, is blind may claim an exemption
in an amount specified in [~~Subsections A through C of this~~
~~section~~] Paragraphs (1) and (2) of this subsection not to exceed
eight thousand dollars (\$8,000) of income includable except for

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1 this exemption in net income. Individuals having income both
2 within and without this state shall apportion this exemption in
3 accordance with regulations of the secretary.

4 ~~[A. For married individuals filing separate returns,~~
5 ~~for any taxable year beginning on or after January 1, 1987:~~

6 ~~The maximum amount of~~
7 ~~If adjusted exemption allowable under~~
8 ~~gross income is: this section shall be:~~

9 ~~Not over \$15,000 \$8,000~~

10 ~~Over \$15,000 but not over \$16,500 \$7,000~~

11 ~~Over \$16,500 but not over \$18,000 \$6,000~~

12 ~~Over \$18,000 but not over \$19,500 \$5,000~~

13 ~~Over \$19,500 but not over \$21,000 \$4,000~~

14 ~~Over \$21,000 but not over \$22,500 \$3,000~~

15 ~~Over \$22,500 but not over \$24,000 \$2,000~~

16 ~~Over \$24,000 but not over \$25,500 \$1,000~~

17 ~~Over \$25,500 0.~~

18 ~~B. For heads of household, surviving spouses and~~
19 ~~married individuals filing joint returns, for any taxable year~~
20 ~~beginning on or after January 1, 1987:~~

21 ~~The maximum amount of~~
22 ~~If adjusted exemption allowable under~~
23 ~~gross income is: this section shall be:~~

24 ~~Not over \$30,000 \$8,000~~

25 ~~Over \$30,000 but not over \$33,000 \$7,000~~

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1 those taxpayers whose adjusted gross income is equal to or less
2 than the base amount; and

3 (b) an amount equal to eight thousand
4 dollars (\$8,000) less two-thirds of the difference between the
5 taxpayer's adjusted gross income and the base amount; provided
6 that, if the calculation results in a negative number, the
7 amount shall be zero.

8 (2) For heads of households, surviving spouses and
9 married individuals filing joint returns, the exemption amount
10 allowable under this section is:

11 (a) eight thousand dollars (\$8,000) for those
12 taxpayers whose adjusted gross income is equal to or less than
13 the base amount; and

14 (b) an amount equal to eight thousand dollars
15 (\$8,000) less one-third of the difference between the taxpayer's
16 adjusted gross income and the base amount; provided that, if the
17 calculation results in a negative number, the amount shall be
18 zero.

19 B. For taxable years beginning in calendar year 1997
20 and 1998, the base amount for single individuals is eighteen
21 thousand dollars (\$18,000); for married individuals filing
22 separate returns, fifteen thousand dollars (\$15,000); and for
23 heads of households, surviving spouses and married individuals
24 filing jointly, thirty thousand dollars (\$30,000). For taxable
25 years beginning in calendar years after 1998, the base amount

Underscored material = new
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1 shall be multiplied by a fraction, the numerator of which is the
2 consumer price index for all-urban consumers published by the
3 United States department of labor for the month of August
4 preceding the calendar year and the denominator of which is the
5 consumer price index for all-urban consumers for the month of
6 August 1997; provided that the value of the fraction shall never
7 be less than one."

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