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SENATE BILL 395
43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997
INTRODUCED BY
RICHARD M ROMERO

AN ACT

RELATING TO TAXATION; AMENDING SECTION 7-2-18 NMSA 1978 (BEING LAWS 1977, CHAPTER 196, SECTION 1, AS AMENDED) TO EXPAND AND INCREASE THE TAX REBATE FOR PROPERTY TAX DUE FOR CERTAIN TAXPAYERS SIXTY-FIVE YEARS OF AGE AND OLDER.

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

Section 1. Section 7-2-18 NMSA 1978 (being Laws 1977, Chapter 196, Section 1, as amended) is amended to read:

"7-2-18. TAX REBATE OF PROPERTY TAX DUE ~~[WHICH]~~ THAT EXCEEDS THE ELDERLY TAXPAYER'S MAXIMUM PROPERTY TAX LIABILITY-- REFUND. --

A. Any resident who has attained the age of sixty-five and files an individual New Mexico income tax return and is not a dependent of another individual may claim a tax rebate for the taxable year for which the return is filed. The tax rebate

Underscored material = new
[bracketed material] = delete

Underscored material = new
[bracketed material] = delete

1 shall be the amount of property tax due on the resident's
2 principal place of residence for the taxable year ~~which~~ that
3 exceeds the property tax liability indicated by the table in
4 Subsection F of this section, based upon the taxpayer's modified
5 gross income.

6 B. Any resident otherwise qualified under this
7 section who rents a principal place of residence from another
8 person may calculate the amount of property tax due by
9 multiplying the gross rent for the taxable year by six percent.
10 The tax rebate shall be the amount of property tax due on the
11 taxpayer's principal place of residence for the taxable year
12 ~~which~~ that exceeds the property tax liability indicated by the
13 table in Subsection F of this section, based upon the taxpayer's
14 modified gross income.

15 C. As used in this section, "principal place of
16 residence" ~~[for purposes of this section]~~ means the resident's
17 dwelling, whether owned or rented, and so much of the land
18 surrounding it, not to exceed five acres, as is reasonably
19 necessary for use of the dwelling as a home and may consist of a
20 part of a multi-dwelling or a multi-purpose building and a part
21 of the land upon which it is built.

22 D. No claim for the tax rebate provided in this
23 section shall be allowed a resident who was an inmate of a
24 public institution for more than six months during the taxable
25 year or who was not physically present in New Mexico for at

1 least six months during the taxable year for which the tax
2 rebate could be claimed.

3 E. A husband and wife who file separate returns for
4 a taxable year in which they could have filed a joint return may
5 each claim only one-half of the tax rebate that would have been
6 allowed on a joint return.

7 F. The tax rebate provided for in this section may
8 be claimed in the amount of the property tax due each taxable
9 year ~~[which]~~ that exceeds the amount shown as property tax
10 liability in the following table:

11 ELDERLY HOMEOWNERS' MAXIMUM PROPERTY TAX LIABILITY TABLE

		Property Tax	
<u>Taxpayer's Modified Gross Income</u>		<u>Liability</u>	
	But Not		
<u>Over</u>	<u>Over</u>		
\$ 0	\$1, 000	\$20	
1, 000	2, 000	25	
2, 000	3, 000	30	
3, 000	4, 000	35	
4, 000	5, 000	40	
5, 000	6, 000	45	
6, 000	7, 000	50	
7, 000	8, 000	55	
8, 000	9, 000	60	
9, 000	10, 000	75	

Underscored material = new
[bracketed material] = delete

1	10, 000	11, 000	90
2	11, 000	12, 000	105
3	12, 000	13, 000	120
4	13, 000	14, 000	135
5	14, 000	15, 000	150
6	15, 000	16, 000	[180] <u>165</u>
7	<u>16, 000</u>	<u>17, 000</u>	<u>180</u>
8	<u>17, 000</u>	<u>18, 000</u>	<u>195</u>
9	<u>18, 000</u>	<u>19, 000</u>	<u>210</u>
10	<u>19, 000</u>	<u>20, 000</u>	<u>225</u>
11	<u>20, 000</u>	<u>21, 000</u>	<u>240</u>
12	<u>21, 000</u>	<u>22, 000</u>	<u>255</u>
13	<u>22, 000</u>	<u>23, 000</u>	<u>270</u>
14	<u>23, 000</u>	<u>24, 000</u>	<u>285</u>
15	<u>24, 000</u>	<u>25, 000</u>	<u>300.</u>

16 G. If a taxpayer's modified gross income is zero,
17 the taxpayer may claim a tax rebate based upon the amount shown
18 in the first row of the table. The tax rebate provided for in
19 this section shall not exceed [~~two hundred fifty dollars (\$250)~~]
20 six hundred fifty dollars (\$650) per return, and, if a return is
21 filed separately [~~which~~] that could have been filed jointly, the
22 tax rebate shall not exceed [~~one hundred twenty-five dollars~~
23 ~~(\$125)~~] three hundred twenty-five dollars (\$325). No tax rebate
24 shall be allowed any taxpayer whose modified gross income
25 exceeds [~~sixteen thousand dollars (\$16,000)~~] twenty-five

1 thousand dollars (\$25,000).

2 H. The tax rebate provided for in this section may
3 be deducted from the taxpayer's New Mexico income tax liability
4 for the taxable year. If the tax rebate exceeds the taxpayer's
5 income tax liability, the excess shall be refunded to the
6 taxpayer. "

7 Section 2. APPLICABILITY. -- The provisions of this act
8 apply to taxable years beginning on or after January 1, 1997.

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FORTY-THIRD LEGISLATURE

FIRST SESSION, 1997

SB 395/a

February 12, 1997

Mr. President:

Your WAYS AND MEANS COMMITTEE, to whom has been referred

SENATE BILL 395

has had it under consideration and reports same with recommendation that it DO PASS, amended as follows:

1. On page 2, line 4, after "F" insert "or G, as appropriate, ".
2. On page 2, line 13, after "F" insert "or G, as appropriate, ".
3. On page 3, line 7, strike "The" and insert in lieu thereof "For taxpayers whose principal place of residence is in a county

Underscored material = new
[bracketed material] = delete

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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SWMC/SB 395

Page 3

that does not have in effect for the taxable year a resolution in accordance with Subsection J of this section, the".

4. On page 4, line 6, remove the brackets and line-through and strike the underscored "165" and insert in lieu thereof a period.

5. On page 4, between lines 6 and 7, insert the following:

"G. For taxpayers whose principal place of residence is in a county that has in effect for the taxable year a resolution in accordance with Subsection J of this section, the tax rebate provided for in this section may be claimed in the amount of the property tax due each taxable year that exceeds the amount shown as property tax liability in the following table:

Underscored material = new
[bracketed material] = delete

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

SWMC/SB 395

Page 3

ELDERLY HOMEOWNER'S MAXIMUM PROPERTY TAX LIABILITY TABLE

<u>Taxpayer's Modified Gross Income</u>	<u>Property Tax Liability</u>
<u>Over</u>	<u>Over</u>
\$ 0	\$ 20
1,000	25
2,000	30
3,000	35
4,000	40
5,000	45
6,000	50
7,000	55
8,000	60
9,000	75
10,000	90
11,000	105

Underscored material = new
[bracketed material] = delete

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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Page 3

12, 000	13, 000	120
13, 000	14, 000	135
14, 000	15, 000	150
15, 000	16, 000	165".

6. Reletter the succeeding subsections accordingly.

7. On page 4, line 18, before "table" insert "appropriate".

8. On page 4, line 25, remove the brackets and line-through and, after "\$16,000)", insert "for taxpayers whose principal place of residence is in a county that does not have in effect for the taxable year a resolution in accordance with Subsection J of this section and".

9. On page 5, line 1, before the period insert "for all other taxpayers".

10. On page 5, between lines 6 and 7, insert the following new subsection:

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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SWMC/SB 395

Page 3

"J. The board of county commissioners may adopt a resolution authorizing otherwise qualified taxpayers whose principal place of residence is in the county to claim the rebate provided by this section in the amounts set forth in Subsection G of this section. The resolution must also provide that the county will reimburse the state for the additional amount of tax rebates paid to such taxpayers over the amount that would have been paid to such taxpayers under Subsection F of this section. The resolution may apply to one or more taxable years. The county must adopt the resolution and notify the department of the adoption by no later than September 1 of the taxable year to which the resolution first applies. The department shall determine the additional amounts paid to taxpayers of the county for each taxable year and shall bill the county for the amount at the time and in the manner determined by the department. If the county fails to pay any bill within thirty days, the department may deduct the amount due from any amount to be transferred or distributed to the county by the state, other than debt interceptions. ". ,

and thence referred to the FINANCE COMMITTEE.

Respectfully submitted,

Underscored material = new
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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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SWMC/SB 395

Page 3

Carlos R. Cisneros, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Duran, Kidd, McSorley, Nava

Absent: None

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SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 395

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

AN ACT

RELATING TO TAXATION; AMENDING SECTION 7-2-18 NMSA 1978 (BEING LAWS 1977, CHAPTER 196, SECTION 1, AS AMENDED) TO AUTHORIZE COUNTIES TO PROVIDE FOR AN EXPANDED TAX REBATE FOR PROPERTY TAX DUE FOR CERTAIN TAXPAYERS SIXTY-FIVE YEARS OF AGE AND OLDER.

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

Section 1. Section 7-2-18 NMSA 1978 (being Laws 1977, Chapter 196, Section 1, as amended) is amended to read:

"7-2-18. TAX REBATE OF PROPERTY TAX DUE ~~WHICH~~ THAT EXCEEDS THE ELDERLY TAXPAYER'S MAXIMUM PROPERTY TAX LIABILITY-- REFUND. --

A. Any resident who has attained the age of sixty-five and files an individual New Mexico income tax return and is not a dependent of another individual may claim a tax rebate for the taxable year for which the return is filed. The tax rebate

Underscored material = new
[bracketed material] = delete

1 shall be the amount of property tax due on the resident's
2 principal place of residence for the taxable year ~~which~~ that
3 exceeds the property tax liability indicated by the table in
4 Subsection F or G, as appropriate, of this section, based upon
5 the taxpayer's modified gross income.

6 B. Any resident otherwise qualified under this section
7 who rents a principal place of residence from another person may
8 calculate the amount of property tax due by multiplying the
9 gross rent for the taxable year by six percent. The tax rebate
10 shall be the amount of property tax due on the taxpayer's
11 principal place of residence for the taxable year ~~which~~ that
12 exceeds the property tax liability indicated by the table in
13 Subsection F or G, as appropriate, of this section, based upon
14 the taxpayer's modified gross income.

15 C. As used in this section, "principal place of
16 residence" ~~[for purposes of this section]~~ means the resident's
17 dwelling, whether owned or rented, and so much of the land
18 surrounding it, not to exceed five acres, as is reasonably
19 necessary for use of the dwelling as a home and may consist of a
20 part of a multi-dwelling or a multi-purpose building and a part
21 of the land upon which it is built.

22 D. No claim for the tax rebate provided in this
23 section shall be allowed a resident who was an inmate of a
24 public institution for more than six months during the taxable
25 year or who was not physically present in New Mexico for at
least six months during the taxable year for which the tax
rebate could be claimed.

E. A husband and wife who file separate returns for a

1 taxable year in which they could have filed a joint return may each
 2 claim only one-half of the tax rebate that would have been allowed
 3 on a joint return.

4 F. ~~[The]~~ For taxpayers whose principal place of residence
 5 is in a county that does not have in effect for the taxable year a
 6 resolution in accordance with Subsection J of this section, the tax
 7 rebate provided for in this section may be claimed in the amount of
 8 the property tax due each taxable year ~~[which]~~ that exceeds the
 9 amount shown as property tax liability in the following table:

10 ELDERLY HOMEOWNERS' MAXIMUM PROPERTY TAX LIABILITY TABLE

		Property Tax	
<u>Taxpayer's Modified Gross Income</u>		<u>Liability</u>	
		But	Not
		<u>Over</u>	<u>Over</u>
	\$ 0	\$ 1,000	\$20
	1,000	2,000	25
	2,000	3,000	30
	3,000	4,000	35
	4,000	5,000	40
	5,000	6,000	45
	6,000	7,000	50
	7,000	8,000	55
	8,000	9,000	60
	9,000	10,000	75
	10,000	11,000	90

Underscored material = new
 [bracketed material] = delete

1	11, 000	12, 000	105
2	12, 000	13, 000	120
3	13, 000	14, 000	135
4	15, 000	16, 000	180.

5 G. For taxpayers whose principal place of residence is
 6 in a county that has in effect for the taxable year a resolution in
 7 accordance with Subsection J of this section, the tax rebate
 8 provided for in this section may be claimed in the amount of the
 9 property tax due each taxable year that exceeds the amount shown as
 10 property tax liability in the following table:

11 ELDERLY HOMEOWNERS' MAXIMUM PROPERTY TAX LIABILITY TABLE

		<u>Property Tax</u>	
<u>Taxpayer's Modified Gross Income</u>		<u>Liability</u>	
<u>Over</u>	<u>But Not</u>		
<u>\$ 0</u>	<u>Over</u>	<u>\$ 20</u>	
<u>1, 000</u>	<u>2, 000</u>	<u>25</u>	
<u>2, 000</u>	<u>3, 000</u>	<u>30</u>	
<u>3, 000</u>	<u>4, 000</u>	<u>35</u>	
<u>4, 000</u>	<u>5, 000</u>	<u>40</u>	
<u>5, 000</u>	<u>6, 000</u>	<u>45</u>	
<u>6, 000</u>	<u>7, 000</u>	<u>50</u>	
<u>7, 000</u>	<u>8, 000</u>	<u>55</u>	
<u>8, 000</u>	<u>9, 000</u>	<u>60</u>	
<u>9, 000</u>	<u>10, 000</u>	<u>75</u>	
<u>10, 000</u>	<u>11, 000</u>	<u>90</u>	

.116841.1

Underscored material = new
 [bracketed material] = delete

1	<u>11,000</u>	<u>12,000</u>	<u>105</u>
2	<u>12,000</u>	<u>13,000</u>	<u>120</u>
3	<u>13,000</u>	<u>14,000</u>	<u>135</u>
4	<u>14,000</u>	<u>15,000</u>	<u>150</u>
5	<u>15,000</u>	<u>16,000</u>	<u>165</u>
6	<u>16,000</u>	<u>17,000</u>	<u>180</u>
7	<u>17,000</u>	<u>18,000</u>	<u>195</u>
8	<u>18,000</u>	<u>19,000</u>	<u>210</u>
9	<u>19,000</u>	<u>20,000</u>	<u>225</u>
10	<u>20,000</u>	<u>21,000</u>	<u>240</u>
11	<u>21,000</u>	<u>22,000</u>	<u>255</u>
12	<u>22,000</u>	<u>23,000</u>	<u>270</u>
13	<u>23,000</u>	<u>24,000</u>	<u>285</u>
14	<u>24,000</u>	<u>25,000</u>	<u>300.</u>

15 ~~[G.]~~ H. If a taxpayer's modified gross income is zero,
 16 the taxpayer may claim a tax rebate based upon the amount shown in
 17 the first row of the appropriate table. The tax rebate provided
 18 for in this section shall not exceed two hundred fifty dollars
 19 (\$250) per return, and, if a return is filed separately ~~which~~
 20 that could have been filed jointly, the tax rebate shall not exceed
 21 one hundred twenty-five dollars (\$125). No tax rebate shall be
 22 allowed any taxpayer whose modified gross income exceeds sixteen
 23 thousand dollars (\$16,000) for taxpayers whose principal place of
 24 residence is in a county that does not have in effect for the
 25 taxable year a resolution in accordance with Subsection J of this

Underscored material = new
 [bracketed material] = delete

1 section and twenty-five thousand dollars (\$25,000) for all other
 2 taxpayers.

3 ~~[H.]~~ I. The tax rebate provided for in this section may
 4 be deducted from the taxpayer's New Mexico income tax liability for
 5 the taxable year. If the tax rebate exceeds the taxpayer's income
 6 tax liability, the excess shall be refunded to the taxpayer.

7 J. The board of county commissioners may adopt a
 8 resolution authorizing otherwise qualified taxpayers whose
 9 principal place of residence is in the county to claim the rebate
 10 provided by this section in the amounts set forth in Subsection G
 11 of this section. The resolution must also provide that the county
 12 will reimburse the state for the additional amount of tax rebates
 13 paid to such taxpayers over the amount that would have been paid to
 14 such taxpayers under Subsection F of this section. The resolution
 15 may apply to one or more taxable years. The county must adopt the
 16 resolution and notify the department of the adoption by no later
 17 than September 1 of the taxable year to which the resolution first
 18 applies. The department shall determine the additional amounts
 19 paid to taxpayers of the county for each taxable year and shall
 20 bill the county for the amount at the time and in the manner
 21 determined by the department. If the county fails to pay any bill
 22 within thirty days, the department may deduct the amount due from
 23 any amount to be transferred or distributed to the county by the
 24 state, other than debt interceptions."

25 Section 2. APPLICABILITY. -- The provisions of this act apply

.116841.1

1 to taxable years beginning on or after January 1, 1997.

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[bracketed material] = delete

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 395

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

AN ACT

RELATING TO TAXATION; AMENDING SECTION 7-2-18 NMSA 1978 (BEING LAWS 1977, CHAPTER 196, SECTION 1, AS AMENDED) TO AUTHORIZE COUNTIES TO PROVIDE FOR AN EXPANDED TAX REBATE FOR PROPERTY TAX DUE FOR CERTAIN TAXPAYERS SIXTY-FIVE YEARS OF AGE AND OLDER.

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A. Any resident who has attained the age of sixty-five and files an individual New Mexico income tax return and is not a dependent of another individual may claim a tax rebate for the taxable year for which the return is filed. The tax rebate

.116841.1

1 shall be the amount of property tax due on the resident's
2 principal place of residence for the taxable year ~~which~~ that
3 exceeds the property tax liability indicated by the table in
4 Subsection F or G, as appropriate, of this section, based upon
5 the taxpayer's modified gross income.

6 B. Any resident otherwise qualified under this
7 section who rents a principal place of residence from another
8 person may calculate the amount of property tax due by
9 multiplying the gross rent for the taxable year by six percent.
10 The tax rebate shall be the amount of property tax due on the
11 taxpayer's principal place of residence for the taxable year
12 ~~which~~ that exceeds the property tax liability indicated by the
13 table in Subsection F or G, as appropriate, of this section,
14 based upon the taxpayer's modified gross income.

15 C. As used in this section, "principal place of
16 residence" ~~[for purposes of this section]~~ means the resident's
17 dwelling, whether owned or rented, and so much of the land
18 surrounding it, not to exceed five acres, as is reasonably
19 necessary for use of the dwelling as a home and may consist of a
20 part of a multi-dwelling or a multi-purpose building and a part
21 of the land upon which it is built.

22 D. No claim for the tax rebate provided in this
23 section shall be allowed a resident who was an inmate of a
24 public institution for more than six months during the taxable
25 year or who was not physically present in New Mexico for at

1 least six months during the taxable year for which the tax rebate
 2 could be claimed.

3 E. A husband and wife who file separate returns for a
 4 taxable year in which they could have filed a joint return may each
 5 claim only one-half of the tax rebate that would have been allowed
 6 on a joint return.

7 F. ~~[The]~~ For taxpayers whose principal place of
 8 residence is in a county that does not have in effect for the
 9 taxable year a resolution in accordance with Subsection J of this
 10 section, the tax rebate provided for in this section may be claimed
 11 in the amount of the property tax due each taxable year ~~[which]~~
 12 that exceeds the amount shown as property tax liability in the
 13 following table:

14 ELDERLY HOMEOWNERS' MAXIMUM PROPERTY TAX LIABILITY TABLE

		Property Tax	
<u>Taxpayer's Modified Gross Income</u>		<u>Liability</u>	
		But Not	
<u>Over</u>	<u>Over</u>		
\$ 0	\$ 1, 000		\$20
1, 000	2, 000		25
2, 000	3, 000		30
3, 000	4, 000		35
4, 000	5, 000		40
5, 000	6, 000		45
6, 000	7, 000		50

25 .116841.1

Underscored material = new
 [bracketed material] = delete

1	7, 000	8, 000	55
2	8, 000	9, 000	60
3	9, 000	10, 000	75
4	10, 000	11, 000	90
5	11, 000	12, 000	105
6	12, 000	13, 000	120
7	13, 000	14, 000	135
8	15, 000	16, 000	180.

9 G. For taxpayers whose principal place of residence is
 10 in a county that has in effect for the taxable year a resolution in
 11 accordance with Subsection J of this section, the tax rebate
 12 provided for in this section may be claimed in the amount of the
 13 property tax due each taxable year that exceeds the amount shown as
 14 property tax liability in the following table:

15 ELDERLY HOMEOWNERS' MAXIMUM PROPERTY TAX LIABILITY TABLE

		<u>Property Tax</u>	
<u>Taxpayer's Modified Gross Income</u>		<u>Liability</u>	
<u>Over</u>	<u>But Not</u>		
<u>\$ 0</u>	<u>\$ 1, 000</u>	<u>\$ 20</u>	
<u>1, 000</u>	<u>2, 000</u>	<u>25</u>	
<u>2, 000</u>	<u>3, 000</u>	<u>30</u>	
<u>3, 000</u>	<u>4, 000</u>	<u>35</u>	
<u>4, 000</u>	<u>5, 000</u>	<u>40</u>	
<u>5, 000</u>	<u>6, 000</u>	<u>45</u>	
<u>6, 000</u>	<u>7, 000</u>	<u>50</u>	

Underscored material = new
 [bracketed material] = delete

1	<u>7,000</u>	<u>8,000</u>	<u>55</u>
2	<u>8,000</u>	<u>9,000</u>	<u>60</u>
3	<u>9,000</u>	<u>10,000</u>	<u>75</u>
4	<u>10,000</u>	<u>11,000</u>	<u>90</u>
5	<u>11,000</u>	<u>12,000</u>	<u>105</u>
6	<u>12,000</u>	<u>13,000</u>	<u>120</u>
7	<u>13,000</u>	<u>14,000</u>	<u>135</u>
8	<u>14,000</u>	<u>15,000</u>	<u>150</u>
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11	<u>17,000</u>	<u>18,000</u>	<u>195</u>
12	<u>18,000</u>	<u>19,000</u>	<u>210</u>
13	<u>19,000</u>	<u>20,000</u>	<u>225</u>
14	<u>20,000</u>	<u>21,000</u>	<u>240</u>
15	<u>21,000</u>	<u>22,000</u>	<u>255</u>
16	<u>22,000</u>	<u>23,000</u>	<u>270</u>
17	<u>23,000</u>	<u>24,000</u>	<u>285</u>
18	<u>24,000</u>	<u>25,000</u>	<u>300.</u>

19 ~~[G.]~~ H. If a taxpayer's modified gross income is zero,
20 the taxpayer may claim a tax rebate based upon the amount shown in
21 the first row of the appropriate table. The tax rebate provided
22 for in this section shall not exceed two hundred fifty dollars
23 (\$250) per return, and, if a return is filed separately ~~which~~
24 that could have been filed jointly, the tax rebate shall not exceed
25 one hundred twenty-five dollars (\$125). No tax rebate shall be

1 allowed any taxpayer whose modified gross income exceeds sixteen
2 thousand dollars (\$16,000) for taxpayers whose principal place of
3 residence is in a county that does not have in effect for the
4 taxable year a resolution in accordance with Subsection J of this
5 section and twenty-five thousand dollars (\$25,000) for all other
6 taxpayers.

7 [~~H-~~] I. The tax rebate provided for in this section may
8 be deducted from the taxpayer's New Mexico income tax liability for
9 the taxable year. If the tax rebate exceeds the taxpayer's income
10 tax liability, the excess shall be refunded to the taxpayer.

11 J. The board of county commissioners may adopt a
12 resolution authorizing otherwise qualified taxpayers whose
13 principal place of residence is in the county to claim the rebate
14 provided by this section in the amounts set forth in Subsection G
15 of this section. The resolution must also provide that the county
16 will reimburse the state for the additional amount of tax rebates
17 paid to such taxpayers over the amount that would have been paid to
18 such taxpayers under Subsection F of this section. The resolution
19 may apply to one or more taxable years. The county must adopt the
20 resolution and notify the department of the adoption by no later
21 than September 1 of the taxable year to which the resolution first
22 applies. The department shall determine the additional amounts
23 paid to taxpayers of the county for each taxable year and shall
24 bill the county for the amount at the time and in the manner
25 determined by the department. If the county fails to pay any bill

1 within thirty days, the department may deduct the amount due from
2 any amount to be transferred or distributed to the county by the
3 state, other than debt interceptions."

4 Section 2. APPLICABILITY. -- The provisions of this act apply
5 to taxable years beginning on or after January 1, 1997.

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~~SENATE BILL 395~~
SENATE FINANCE COMMITTEE SUBSTITUTE FOR
43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

AN ACT

RELATING TO TAXATION; AMENDING SECTION 7-2-18 NMSA 1978 (BEING LAWS 1977, CHAPTER 196, SECTION 1, AS AMENDED) TO AUTHORIZE COUNTIES TO PROVIDE FOR AN EXPANDED TAX REBATE FOR PROPERTY TAX DUE FOR CERTAIN TAXPAYERS SIXTY-FIVE YEARS OF AGE AND OLDER.

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

Section 1. Section 7-2-18 NMSA 1978 (being Laws 1977, Chapter 196, Section 1, as amended) is amended to read:

"7-2-18. TAX REBATE OF PROPERTY TAX DUE ~~[WHICH]~~ THAT EXCEEDS THE ELDERLY TAXPAYER'S MAXIMUM PROPERTY TAX LIABILITY-- REFUND. --

A. Any resident who has attained the age of sixty-five and files an individual New Mexico income tax return and is not a dependent of another individual may claim a tax rebate for the taxable year for which the return is filed. The tax rebate

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1 shall be the amount of property tax due on the resident's
2 principal place of residence for the taxable year ~~[which]~~ that
3 exceeds the property tax liability indicated by the table in
4 Subsection F or G, as appropriate, of this section, based upon
5 the taxpayer's modified gross income.

6 B. Any resident otherwise qualified under this
7 section who rents a principal place of residence from another
8 person may calculate the amount of property tax due by
9 multiplying the gross rent for the taxable year by six percent.
10 The tax rebate shall be the amount of property tax due on the
11 taxpayer's principal place of residence for the taxable year
12 ~~[which]~~ that exceeds the property tax liability indicated by the
13 table in Subsection F or G, as appropriate, of this section,
14 based upon the taxpayer's modified gross income.

15 C. As used in this section, "principal place of
16 residence" ~~[for purposes of this section]~~ means the resident's
17 dwelling, whether owned or rented, and so much of the land
18 surrounding it, not to exceed five acres, as is reasonably
19 necessary for use of the dwelling as a home and may consist of a
20 part of a multi-dwelling or a multi-purpose building and a part
21 of the land upon which it is built.

22 D. No claim for the tax rebate provided in this
23 section shall be allowed a resident who was an inmate of a
24 public institution for more than six months during the taxable
25 year or who was not physically present in New Mexico for at
least six months during the taxable year for which the tax
rebate could be claimed.

E. A husband and wife who file separate returns for

1 a taxable year in which they could have filed a joint return may
 2 each claim only one-half of the tax rebate that would have been
 3 allowed on a joint return.

4 F. [The] For taxpayers whose principal place of
 5 residence is in a county that does not have in effect for the
 6 taxable year a resolution in accordance with Subsection J of this
 7 section, the tax rebate provided for in this section may be claimed
 8 in the amount of the property tax due each taxable year ~~which~~
 9 that exceeds the amount shown as property tax liability in the
 10 following table:

11 ELDERLY HOMEOWNERS' MAXIMUM PROPERTY TAX LIABILITY TABLE

<u>Taxpayer's Modified Gross Income</u>		Property Tax
<u>Over</u>	But Not <u>Over</u>	<u>Liability</u>
\$ 0	\$ 1, 000	\$20
1, 000	2, 000	25
2, 000	3, 000	30
3, 000	4, 000	35
4, 000	5, 000	40
5, 000	6, 000	45
6, 000	7, 000	50
7, 000	8, 000	55
8, 000	9, 000	60
9, 000	10, 000	75

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1	10, 000	11, 000	90
2	11, 000	12, 000	105
3	12, 000	13, 000	120
4	13, 000	14, 000	135
5	15, 000	16, 000	180.

6 G. For taxpayers whose principal place of residence is
 7 in a county that has in effect for the taxable year a resolution in
 8 accordance with Subsection J of this section, the tax rebate
 9 provided for in this section may be claimed in the amount of the
 10 property tax due each taxable year that exceeds the amount shown as
 11 property tax liability in the following table:

12 ELDERLY HOMEOWNERS' MAXIMUM PROPERTY TAX LIABILITY TABLE

		<u>Property Tax</u>	
<u>Taxpayer's Modified Gross Income</u>		<u>Liability</u>	
<u>Over</u>	<u>But Not</u>		
<u>\$ 0</u>	<u>\$ 1, 000</u>	<u>\$ 20</u>	
<u>1, 000</u>	<u>2, 000</u>	<u>25</u>	
<u>2, 000</u>	<u>3, 000</u>	<u>30</u>	
<u>3, 000</u>	<u>4, 000</u>	<u>35</u>	
<u>4, 000</u>	<u>5, 000</u>	<u>40</u>	
<u>5, 000</u>	<u>6, 000</u>	<u>45</u>	
<u>6, 000</u>	<u>7, 000</u>	<u>50</u>	
<u>7, 000</u>	<u>8, 000</u>	<u>55</u>	
<u>8, 000</u>	<u>9, 000</u>	<u>60</u>	
<u>9, 000</u>	<u>10, 000</u>	<u>75</u>	

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1	<u>10,000</u>	<u>11,000</u>	<u>90</u>
2	<u>11,000</u>	<u>12,000</u>	<u>105</u>
3	<u>12,000</u>	<u>13,000</u>	<u>120</u>
4	<u>13,000</u>	<u>14,000</u>	<u>135</u>
5	<u>14,000</u>	<u>15,000</u>	<u>150</u>
6	<u>15,000</u>	<u>16,000</u>	<u>165</u>
7	<u>16,000</u>	<u>17,000</u>	<u>180</u>
8	<u>17,000</u>	<u>18,000</u>	<u>195</u>
9	<u>18,000</u>	<u>19,000</u>	<u>210</u>
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11	<u>20,000</u>	<u>21,000</u>	<u>240</u>
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[G.] H. If a taxpayer's modified gross income is zero, the taxpayer may claim a tax rebate based upon the amount shown in the first row of the appropriate table. The tax rebate provided for in this section shall not exceed two hundred fifty dollars (\$250) per return, and, if a return is filed separately ~~which~~ that could have been filed jointly, the tax rebate shall not exceed one hundred twenty-five dollars (\$125). No tax rebate shall be allowed any taxpayer whose modified gross income exceeds sixteen thousand dollars (\$16,000) for taxpayers whose principal place of residence is in a county that does not have in effect for the

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1 taxable year a resolution in accordance with Subsection J of this
 2 section and twenty-five thousand dollars (\$25,000) for all other
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 12 of this section. The resolution must also provide that the county
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 17 resolution and notify the department of the adoption by no later
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 21 bill the county for the amount at the time and in the manner
 22 determined by the department. If the county fails to pay any bill
 23 within thirty days, the department may deduct the amount due from
 24 any amount to be transferred or distributed to the county by the
 25 state, other than debt interceptions."

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State of New Mexico
House of Representatives

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 17, 1997

Mr. Speaker:

Your **TAXATION AND REVENUE COMMITTEE**, to whom has
been referred

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 395

has had it under consideration and reports same with
recommendation that it **DO PASS**, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

SFC/SB 395

HTRC/SFCS/SB 395

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Respectfully submitted,

Jerry W. Sandel, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against

Yes: 12

Excused: Lovejoy

Absent: None

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