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HOUSE BILL 229

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Judy Vanderstar Russell

AN ACT

RELATING TO TAXATION; EXEMPTING FROM INCOME TAXATION CERTAIN ANNUITY AND PENSION INCOME.

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

Section 1. A new section of the Income Tax Act is enacted to read:

"NEW MATERIAL EXEMPTION--ANNUITY AND PENSION INCOME. --

A. An individual may claim an exemption from income taxation for annuity or pension income included in base income in an amount not to exceed three thousand dollars (\$3,000).

B. As used in this section, "annuity or pension income" means that pension or annuity income required by federal law or regulation to be reported on information return federal form 1099-R or any successor form used to report

underscored material = new  
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1 distributions from pensions, annuities, retirement or profit-  
2 sharing plans, individual retirement accounts, insurance  
3 contracts and similar income that is attributable to any  
4 benefit taxable for federal income tax purposes paid to an  
5 individual under a qualified plan, annuity or simplified  
6 employee pension plan pursuant to Section 401 through 404, 408  
7 or 457 of the Internal Revenue Code and including any inside  
8 buildup of interest distributed in conjunction with any of the  
9 listed distributions. "

10 Section 2. APPLICABILITY. --The provisions of this act  
11 apply to taxable years beginning on or after January 1, 1999.