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HOUSE BILL 272

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

Jim R. Trujillo

AN ACT

RELATING TO TAXATION; CREATING NEW INCOME TAX BRACKETS;
REPEALING AN OUTDATED VERSION OF SECTION 7-2-7 NMSA 1978 (BEING
LAWS 2005 (1ST S.S.), CHAPTER 3, SECTION 2).

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

SECTION 1. Section 7-2-7 NMSA 1978 (being Laws 2005,
Chapter 104, Section 4) is amended to read:

"7-2-7. INDIVIDUAL INCOME TAX RATES.--The tax imposed by
Section 7-2-3 NMSA 1978 shall be at the following rates for any
taxable year beginning on or after January 1, [~~2008~~] 2019:

A. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
Not over \$4,000	1.7% of taxable income
Over \$4,000 but not over \$8,000	\$68.00 plus 3.2% of excess over \$4,000

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1	Over \$8,000 but not over \$12,000	\$196 plus 4.7% of
2		excess over \$8,000
3	Over \$12,000 <u>but not over \$120,000</u>	\$384 plus 4.9% of
4		excess over \$12,000
5	<u>Over \$120,000 but not over \$240,000</u>	<u>\$5,676 plus 6.2% of</u>
6		<u>excess over \$120,000</u>
7	<u>Over \$240,000</u>	<u>\$13,116 plus 6.5% of</u>
8		<u>excess over \$240,000.</u>

9 B. For heads of household, surviving spouses and
10 married individuals filing joint returns:

11	If the taxable income is:	The tax shall be:
12	Not over \$8,000	1.7% of taxable income
13	Over \$8,000 but not over \$16,000	\$136 plus 3.2% of
14		excess over \$8,000
15	Over \$16,000 but not over \$24,000	\$392 plus 4.7% of
16		excess over \$16,000
17	Over \$24,000 <u>but not over \$240,000</u>	\$768 plus 4.9% of
18		excess over \$24,000
19	<u>Over \$240,000 but not over \$480,000</u>	<u>\$11,352 plus 6.2% of</u>
20		<u>excess over \$240,000</u>
21	<u>Over \$480,000</u>	<u>\$26,232 plus 6.5% of</u>
22		<u>excess over \$480,000.</u>

23 C. For single individuals and for estates and
24 trusts:

25 If the taxable income is: The tax shall be:

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1	Not over \$5,500	1.7% of taxable income
2	Over \$5,500 but not over \$11,000	\$93.50 plus 3.2% of
3		excess over \$5,500
4	Over \$11,000 but not over \$16,000	\$269.50 plus 4.7% of
5		excess over \$11,000
6	Over \$16,000 <u>but not over \$160,000</u>	\$504.50 plus 4.9% of
7		excess over \$16,000
8	<u>Over \$160,000 but not over \$320,000</u>	<u>\$7,560.50 plus 6.2% of</u>
9		<u>excess over \$160,000</u>
10	<u>Over \$320,000</u>	<u>\$17,480.50 plus 6.5% of</u>
11		<u>excess over \$320,000.</u>

12 D. The tax on the sum of any lump-sum amounts
13 included in net income is an amount equal to five multiplied by
14 the difference between:

15 (1) the amount of tax due on the taxpayer's
16 taxable income; and

17 (2) the amount of tax that would be due on an
18 amount equal to the taxpayer's taxable income and twenty
19 percent of the taxpayer's lump-sum amounts included in net
20 income."

21 SECTION 2. REPEAL.--That version of Section 7-2-7 NMSA
22 1978 (being Laws 2005 (1st S.S.), Chapter 3, Section 2) is
23 repealed.

24 SECTION 3. EFFECTIVE DATE.--The effective date of the
25 provisions of this act is January 1, 2019.

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