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HOUSE BILL 280

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

INTRODUCED BY

James G. Townsend and Rod Montoya and Mark Duncan  
and Candy Spence Ezzell and Alan T. Martinez

AN ACT

RELATING TO TAXATION; CREATING A FLAT INDIVIDUAL INCOME TAX  
RATE OF ONE PERCENT.

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, as amended) is amended to read:

"7-2-7. INDIVIDUAL INCOME TAX [RATES] RATE.--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,  
2021:~~

~~A. For married individuals filing separate returns:~~

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

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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 but not over \$157,500~~ ~~\$384 plus 4.9% of~~  
4 ~~excess over \$12,000~~  
5 ~~Over \$157,500~~ ~~\$7,513.50 plus 5.9% of~~  
6 ~~excess over \$157,500.~~

7 ~~B. For heads of household, surviving spouses and~~  
8 ~~married individuals filing joint returns:~~

9 ~~If the taxable income is:~~ ~~The tax shall be:~~  
10 ~~Not over \$8,000~~ ~~1.7% of taxable income~~  
11 ~~Over \$8,000 but not over \$16,000~~ ~~\$136 plus 3.2% of~~  
12 ~~excess over \$8,000~~  
13 ~~Over \$16,000 but not over \$24,000~~ ~~\$392 plus 4.7% of~~  
14 ~~excess over \$16,000~~  
15 ~~Over \$24,000 but not over \$315,000~~ ~~\$768 plus 4.9% of~~  
16 ~~excess over \$24,000~~  
17 ~~Over \$315,000~~ ~~\$15,027 plus 5.9% of~~  
18 ~~excess over \$315,000.~~

19 ~~C. For single individuals and for estates and~~  
20 ~~trusts:~~

21 ~~If the taxable income is:~~ ~~The tax shall be:~~  
22 ~~Not over \$5,500~~ ~~1.7% of taxable income~~  
23 ~~Over \$5,500 but not over \$11,000~~ ~~\$93.50 plus 3.2% of~~  
24 ~~excess over \$5,500~~  
25 ~~Over \$11,000 but not over \$16,000~~ ~~\$269.50 plus 4.7% of~~

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1 ~~excess over \$11,000~~  
2 ~~Over \$16,000 but not over \$210,000 \$504.50 plus 4.9% of~~  
3 ~~excess over \$16,000~~  
4 ~~Over \$210,000 \$10,010.50 plus 5.9% of~~  
5 ~~excess over \$210,000.~~

6 ~~D. The tax on the sum of any lump-sum amounts~~  
7 ~~included in net income is an amount equal to five multiplied by~~  
8 ~~the difference between:~~

9 ~~(1) the amount of tax due on the taxpayer's~~  
10 ~~taxable income; and~~

11 ~~(2) the amount of tax that would be due on an~~  
12 ~~amount equal to the taxpayer's taxable income and twenty~~  
13 ~~percent of the taxpayer's lump-sum amounts included in net~~  
14 ~~income] one percent of taxable income."~~

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