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HOUSE BILL 302

**52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

INTRODUCED BY

David E. Adkins

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX DEDUCTION FOR  
CERTAIN UNIFORMED SERVICES RETIREES AND THEIR SPOUSES.

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]~~ DEDUCTION--UNIFORMED SERVICES RETIREE  
INCOME.--

A. A taxpayer who is not a dependent of another  
individual and is a uniformed services retiree or the retiree's  
surviving spouse may claim a deduction from net income in the  
amount of military retirement income the uniformed services  
retiree or the retiree's surviving spouse received in a taxable  
year, not to exceed fifty thousand dollars (\$50,000).

B. The purpose of the deduction provided by this

underscoring material = new  
~~[bracketed material] = delete~~

1 section is to encourage uniformed services retirees to move to  
2 New Mexico and to utilize the expertise of uniformed services  
3 retirees in New Mexico's work force.

4 C. To claim a deduction pursuant to this section, a  
5 taxpayer shall submit to the department information required by  
6 the secretary establishing that the taxpayer is eligible to  
7 claim a deduction pursuant to this section.

8 D. A taxpayer allowed a deduction pursuant to this  
9 section shall report the amount of the deduction to the  
10 department in a manner required by the department.

11 E. The department shall compile an annual report on  
12 the deduction provided by this section that shall include the  
13 number of taxpayers that claimed the deduction, the aggregate  
14 amount of deductions claimed and any other information  
15 necessary to evaluate the effectiveness of the deduction.  
16 Beginning in 2018, the department shall compile and present the  
17 annual reports to the revenue stabilization and tax policy  
18 committee and the legislative finance committee with an  
19 analysis of the effectiveness and cost of the deduction and  
20 whether the deduction is performing the purpose for which it  
21 was created.

22 F. As used in this section:

23 (1) "uniformed services" means the army, navy,  
24 air force, marine corps and coast guard and the commissioned  
25 corps of the national oceanic and atmospheric administration;

.199505.1

underscored material = new  
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1 and

2 (2) "uniformed services retiree" means a  
3 former member of the uniformed services of the United States  
4 who has qualified by years of service or disability to separate  
5 from military service with lifetime benefits."

6 SECTION 2. APPLICABILITY.--The provisions of this act  
7 apply to taxable years beginning on or after January 1, 2015.

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