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HOUSE BILL 305

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

Antonio "Moe" Maestas

AN ACT

RELATING TO TAXATION; ADJUSTING THE RATES OF INCOME TAX PAID
PURSUANT TO THE INCOME TAX ACT; REDUCING THE GROSS RECEIPTS TAX
RATE.

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~~] 2013:

A. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
Not over [\$4,000] <u>\$9,000</u>	[1.7%] <u>2.0%</u> of taxable
	income
Over [\$4,000] <u>\$9,000</u> but not	

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1 over [~~\$8,000~~] \$18,000 [~~\$68.00~~] \$180 plus
2 [~~3.2%~~] 3.0% of excess
3 over [~~\$4,000~~] \$9,000
4 Over [~~\$8,000~~] \$18,000 but not
5 over [~~\$12,000~~] \$36,000 [~~\$196~~] \$450 plus [~~4.7%~~]
6 4.0% of excess over
7 [~~\$8,000~~] \$18,000
8 Over [~~\$12,000~~] \$36,000 but not
9 over \$72,000 [~~\$384~~] \$1,170 plus
10 [~~4.9%~~] 5.0% of excess
11 over [~~\$12,000~~] \$36,000
12 Over \$72,000 but not over \$187,500 \$ 2,970 plus 6.0% of
13 excess over \$ 72,000
14 Over \$187,500 but not over \$750,000 \$ 9,900 plus 7.0% of
15 excess over \$ 187,500
16 Over \$750,000 \$ 49,275 plus 8.0% of
17 excess over \$750,000.

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

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

21 Not over [~~\$8,000~~] \$18,000 [~~1.7%~~] 2.0% of taxable
22 income

23 Over [~~\$8,000~~] \$18,000 but not
24 over [~~\$16,000~~] \$36,000 [~~\$136~~] \$360 plus [~~3.2%~~]
25 3.0% of excess over

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1 [~~\$—8,000~~] \$18,000
2 Over [~~\$—16,000~~] \$36,000 but
3 not over [~~\$—24,000~~] \$72,000 [~~\$—392~~] \$900 plus [4.7%]
4 4.0% of excess over
5 [~~\$—16,000~~] \$36,000
6 Over [~~\$—24,000~~] \$72,000 but not
7 over \$144,000 [~~\$—768~~] \$2,340 plus
8 [4.9%] 5.0% of excess
9 over [~~\$—24,000~~] \$72,000
10 Over \$144,000 but not over \$375,000 \$ 5,940 plus 6.0% of
11 excess over \$ 144,000
12 Over \$375,000 but not over \$1,500,000 \$ 19,800 plus 7.0% of
13 excess over \$ 375,000
14 Over \$1,500,000 \$ 98,550 plus 8.0% of
15 excess over \$ 1,500,000.

16 C. For single individuals and for estates and
17 trusts:

18 If the taxable income is: The tax shall be:
19 Not over [~~\$5,500~~] \$12,000 [~~1.7%~~] 2.0% of taxable
20 income
21 Over [~~\$—5,500~~] \$12,000 but not [~~\$—93.50~~] \$240 plus
22 over [~~\$—11,000~~] \$24,000 [~~3.2%~~] 3.0% of excess
23 over [~~\$—5,500~~] \$12,000
24 Over [~~\$—11,000~~] \$24,000 but not
25 over [~~\$—16,000~~] \$48,000 [~~\$—269.50~~] \$600 plus

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underscored material = new
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1 [4.7%] 4.0% of excess
2 over [~~\$11,000~~] \$24,000
3 Over [~~\$16,000~~] \$48,000 but not [~~\$504.50~~] \$1,560 plus
4 over \$72,000 [4.9%] 5.0% of excess
5 over [~~\$16,000~~] \$48,000
6 Over \$72,000 but not over \$150,000 \$ 2,760 plus 6.0% of
7 excess over \$72,000
8 Over \$150,000 but not over \$1,000,000 \$ 7,440 plus 7.0% of
9 excess over \$150,000
10 Over \$1,000,000 \$ 66,940 plus 8.0% of
11 excess over \$1,000,000.

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. Section 7-9-4 NMSA 1978 (being Laws 1966,
22 Chapter 47, Section 4, as amended) is amended to read:

23 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
24 "GROSS RECEIPTS TAX".--

25 A. For the privilege of engaging in business, an

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1 excise tax equal to [~~five~~] four and one-eighth percent of gross
2 receipts is imposed on any person engaging in business in New
3 Mexico.

4 B. The tax imposed by this section shall be
5 referred to as the "gross receipts tax".

6 SECTION 3. APPLICABILITY.--The provisions of Section 1 of
7 this act apply to taxable years beginning on or after January
8 1, 2013.

9 SECTION 4. EFFECTIVE DATE.--The effective date of the
10 provisions of this act is January 1, 2013.