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SENATE BILL 85

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Gregg Schmedes

AN ACT

RELATING TO TAXATION; ADJUSTING INCOME TAX BRACKETS.

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.--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] 2023:

~~[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
Over \$8,000 but not over \$12,000	\$196 plus 4.7% of

.223883.2

underscored material = new
[bracketed material] = delete

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1 ~~excess over \$8,000~~
2 ~~Over \$12,000 but not over \$157,500~~ ~~\$384 plus 4.9% of~~
3 ~~excess over \$12,000~~
4 ~~Over \$157,500~~ ~~\$7,513.50 plus 5.9% of~~
5 ~~excess over \$157,500.~~

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

8	If the taxable income is:	The tax shall be:
9	Not over [\$8,000] <u>\$11,000</u>	1.7% of taxable income
10	Over [\$8,000] <u>\$11,000</u> but not	[\$136] <u>\$187</u> plus 3.2%
11	over [\$16,000] <u>\$22,000</u>	of excess over
12		[\$8,000] <u>\$11,000</u>
13	Over [\$16,000] <u>\$22,000</u> but not	[\$392] <u>\$539</u> plus 4.7%
14	over [\$24,000] <u>\$32,000</u>	of excess over
15		[\$16,000] <u>\$22,000</u>
16	Over [\$24,000] <u>\$32,000</u> but not	[\$768] <u>\$1,009</u> plus
17	over [\$315,000] <u>\$420,000</u>	4.9% of excess over
18		[\$24,000] <u>\$32,000</u>
19	Over [\$315,000] <u>\$420,000</u>	[\$15,027] <u>\$20,021</u> plus
20		5.9% of excess over
21		[\$315,000] <u>\$420,000.</u>

22 ~~C.~~ B. For single individuals, married individuals
23 filing separately and for estates and trusts:

24	If the taxable income is:	The tax shall be:
25	Not over \$5,500	1.7% of taxable income

underscored material = new
[bracketed material] = delete

1 Over \$5,500 but not over \$11,000 \$93.50 plus 3.2% of
2 excess over \$5,500
3 Over \$11,000 but not over \$16,000 \$269.50 plus 4.7% of
4 excess over \$11,000
5 Over \$16,000 but not over \$210,000 \$504.50 plus 4.9% of
6 excess over \$16,000
7 Over \$210,000 \$10,010.50 plus 5.9% of
8 excess over \$210,000.

9 [D-] C. The tax on the sum of any lump-sum amounts
10 included in net income is an amount equal to five multiplied by
11 the difference between:

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

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