

1 SENATE BILL 398

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Anthony L. Thornton and Jay C. Block and Pat Boone
5 and Steve D. Lanier and David M. Gallegos
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10 AN ACT

11 RELATING TO TAX REBATES; CREATING THE CITIZEN INCOME TAX
12 REBATE.
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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. A new section of the Income Tax Act is enacted
16 to read:

17 "[NEW MATERIAL] CITIZEN INCOME TAX REBATE.--

18 A. For taxable years prior to 2033, a resident who
19 is a citizen of the United States, who files an individual New
20 Mexico income tax return and who is not a dependent of another
21 individual is eligible for a tax rebate pursuant to this
22 section in an amount equal to five hundred dollars (\$500) plus
23 five hundred dollars (\$500) for each dependent claimed by the
24 taxpayer in the taxable year plus five hundred dollars (\$500)
25 for the taxpayer's spouse if the taxpayer is married and filing

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1 a joint return. The rebate provided by this section may be
2 referred to as the "citizen income tax rebate".

3 B. The rebate shall not be allowed for a return
4 filed after May 31 of the year following the taxable year for
5 which the rebate is claimed. Rebates shall be provided by the
6 department as soon as practicable.

7 C. The rebate shall not be allowed for a taxpayer
8 who was an inmate of a public institution for more than six
9 months during the taxable year for which the tax rebate could
10 be claimed or who was not physically present in New Mexico for
11 at least six months during the taxable year for which the tax
12 rebate could be claimed.

13 D. The rebate may be deducted from the taxpayer's
14 New Mexico income tax liability. If the amount of rebate
15 exceeds the taxpayer's income tax liability, the excess shall
16 be refunded to the taxpayer.

17 E. The department may require a taxpayer to claim a
18 rebate on forms and in a manner required by the department.

19 F. The rebate shall be included in the tax
20 expenditure budget pursuant to Section 7-1-84 NMSA 1978,
21 including the annual aggregate cost of the rebate."

22 SECTION 2. APPLICABILITY.--The provisions of this act
23 apply to taxable years beginning on or after January 1, 2025.