

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL 23

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

INTRODUCED BY

Roman M. Maes III

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO PROVIDE  
A DEDUCTION FOR NET CAPITAL GAIN INCOME.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-2-34 NMSA 1978 (being Laws 1999,  
Chapter 205, Section 1) is amended to read:

"7-2-34. DEDUCTION--NET CAPITAL GAIN INCOME.--

A. Except as provided in Subsection ~~[B]~~ C of this  
section, a taxpayer may claim a deduction from net income in  
an amount equal to the taxpayer's net capital gain income for  
the taxable year for which the deduction is being claimed,  
but not to exceed the greater of one thousand dollars

(\$1,000) or:

(1) one-third of the net capital gain income  
for the taxable year beginning in 2000;

(2) two-thirds of the net capital gain

.131135.1

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

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

income for the taxable year beginning in 2001; and

(3) all of the net capital gain income for the taxable years beginning on or after January 1, 2002.

B. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the deduction provided by this section that would have been allowed on the joint return.

~~[B.]~~ C. A taxpayer may not claim the deduction provided in Subsection A of this section if the taxpayer has claimed the credit provided in Section 7-2D-8.1 NMSA 1978.

~~[C.]~~ D. As used in this section, "net capital gain" means "net capital gain" as defined in Section 1222 (11) of the Internal Revenue Code."

Section 2. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2000.