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SENATE BILL 444

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

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO TAXATION; PROVIDING A ONE-TIME INCOME TAX CREDIT  
TO ALL TAXPAYERS IN NEW MEXICO FROM SAVINGS REALIZED BY THE  
EXECUTIVE BRANCH OF GOVERNMENT.

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

Section 1. "NEW MATERIAL] LEGISLATIVE FINDINGS--

PURPOSE OF ACT.--

A. The legislature finds that Governor Gary  
Johnson projected that:

(1) he would save the state forty million  
dollars (\$40,000,000) by housing inmates in private prisons;

(2) he would save the state one hundred  
million dollars (\$100,000,000) on medicaid during the first  
year of managed care; and

(3) the highway warranty on state highway 44  
would save the state eighty-nine million dollars

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1 (\$89,000,000).

2 B. The purpose of this act is to provide the  
3 citizens of New Mexico with the tax relief they should be  
4 entitled to if Governor Gary Johnson's projected savings are  
5 realized.

6 Section 2. A new section of the Income Tax Act is  
7 enacted to read:

8 "[NEW MATERIAL] ONE-TIME CREDIT--GOVERNMENT SAVINGS.--A  
9 taxpayer who files an individual New Mexico income tax return  
10 and is not a dependent of another taxpayer is entitled to a  
11 tax credit from savings realized by the executive branch of  
12 government. The credit shall be equal to twenty-five percent  
13 of the taxpayer's tax liability for the tax year. A husband  
14 and wife who file separate returns for the taxable year in  
15 which they could have filed a joint return may each claim  
16 only one-half of the credit that would have been allowed on a  
17 joint return. The credit shall only be deducted from the  
18 taxpayer's New Mexico income tax liability for the taxable  
19 year."

20 Section 3. DELAYED REPEAL.--Sections 1 and 2 of this  
21 act are repealed effective January 1, 2002.

22 Section 4. APPLICABILITY.--The provisions of this act  
23 apply to taxable years beginning in 2000.