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HOUSE BILL 12

**44TH LEGISLATURE - STATE OF NEW MEXICO -2ND SPECIAL SESSION, 2000**

INTRODUCED BY

John A. Heaton

AN ACT

RELATING TO TAXATION; PROVIDING INCOME TAX RELIEF BY INDEXING  
THE TAX RATE TABLES.

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

Section 1. A new section of the Income Tax Act, Section  
7-2-7.2 NMSA 1978, is enacted to read:

"7-2-7.2. [NEW MATERIAL] INDEXING OF TAX RATE TABLES.--  
For taxable years beginning on or after January 1, 2000, the  
tax rate schedules in Subsections A through D of Section  
7-2-7 NMSA 1978 shall be adjusted to account for inflation.  
The department shall make the adjustments by multiplying the  
minimum and maximum bracket amounts by a fraction, the  
numerator of which is the consumer price index ending during  
the calendar year in which the taxable years begin and the  
denominator of which is the consumer price index ending in  
calendar year 1999. The result of the multiplication shall  
be rounded down to the nearest one hundred dollars (\$100)

.132959.1

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

1 except that, if the result would be a minimum or maximum  
2 bracket amount less than the corresponding amount for the  
3 preceding year, then no adjustment shall be made. The  
4 department shall adjust the tax due shown for the minimum  
5 bracket amounts accordingly. For the purposes of this  
6 section, "consumer price index" means the average of the  
7 consumer price index for all urban consumers published by the  
8 United States department of labor for the twelve-month period  
9 ending July 31 of the calendar year."

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