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SENATE BILL 236

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Shannon Robinson

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO PROVIDE A
DEDUCTION FOR ALL 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 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 one thousand dollars (\$1,000)~~]. 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

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1 been allowed on the joint return.

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

5 C. As used in this section, "net capital gain"
6 means "net capital gain" as defined in Section 1222 (11) of
7 the Internal Revenue Code. "

8 Section 2. APPLICABILITY. --The provisions of this act
9 apply to taxable years beginning on or after January 1, 2001.