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**SENATE BILL 343**

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

**INTRODUCED BY**

**Ben D. Altamirano**

**AN ACT**

**RELATING TO TAXATION; PROVIDING A ONE-TIME HEATING BILL RELIEF  
REBATE FOR LOW- AND MODERATE-INCOME HOUSEHOLDS; REDUCING  
INDIVIDUAL INCOME TAX RATES; AMENDING, REPEALING AND ENACTING  
SECTIONS OF THE NMSA 1978.**

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

**Section 1. A new section of the Income Tax Act is  
enacted to read:**

**" NEW MATERIAL ONE-TIME TAX REBATE. --**

**A. A resident who files an individual New Mexico  
income tax return for the taxable year beginning in 2001 and  
who is not a dependent of another taxpayer is entitled to a  
tax rebate for a portion of gross receipts taxes paid during  
the taxable year. The rebate may be referred to as the  
"heating bill relief rebate". The tax rebate provided in this**

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1 section shall be at the amount shown in the appropriate filing  
2 status tables in Subsections B, C and D of this section for  
3 each return.

4 B. For surviving spouses and married individuals  
5 filing joint returns, the tax rebate shall be at the following  
6 amounts per return based on the adjusted gross income of the  
7 taxpayer:

8 If the adjusted gross income is:	the tax rebate per return is:
9 Not over \$20,000	\$160.00
10 over \$20,000 but not over \$30,000	\$ 80.00
11 over \$30,000 but not over \$40,000	\$ 40.00
12 over \$40,000 but not over \$50,000	\$ 10.00
13 over \$50,000	0.

14 C. For single individuals and married taxpayers  
15 filing separate returns, the tax rebate shall be at the  
16 following amounts per return based on the adjusted gross  
17 income of the taxpayer:

18 If the adjusted gross income is:	the tax rebate per return is:
19 Not over \$10,000	\$80.00
20 over \$10,000 but not over \$15,000	\$40.00
21 over \$15,000 but not over \$20,000	\$20.00
22 over \$20,000 but not over \$25,000	\$ 5.00
23 over \$25,000	0.

24 D. For heads of household, the tax rebate shall be  
25 at the following amounts per return based on the adjusted

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1 gross income of the taxpayer:

2 If the adjusted gross income is: the tax rebate per return is:

3 Not over \$15,000 \$130.00

4 over \$15,000 but not over \$25,000 \$ 60.00

5 over \$25,000 but not over \$30,000 \$ 30.00

6 over \$30,000 but not over \$35,000 \$ 10.00

7 over \$35,000 0.

8 E. The tax rebate provided for in this section may  
9 be deducted from the taxpayer's New Mexico income tax  
10 liability for the taxable year. If the tax rebate exceeds the  
11 taxpayer's income tax liability, the excess shall be refunded  
12 to the taxpayer.

13 F. As used in this section, "dependent" means  
14 "dependent" as defined by Section 152 of the Internal Revenue  
15 Code. "

16 Section 2. Section 7-2-7 NMSA 1978 (being Laws 1994,  
17 Chapter 5, Section 20, as amended) is amended to read:

18 "7-2-7. INDIVIDUAL INCOME TAX RATES.--The tax imposed by  
19 Section 7-2-3 NMSA 1978 shall be at the following rates for  
20 any taxable year beginning on or after January 1, [1998] 2001:

21 A. For married individuals filing separate returns:

22 If the taxable income is:	The tax shall be:
23 [ <del>Not over \$4,000</del>	<del>1.7% of taxable income</del>
24 <del>Over \$ 4,000 but not over \$ 8,000</del>	<del>\$ 68.00 plus 3.2% of</del>
	<del>excess over \$ 4,000</del>

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1 ~~Over \$ 8,000 but not over \$ 12,000 \$ 196 plus 4.7% of~~  
2 ~~excess over \$ 8,000~~  
3 ~~Over \$ 12,000 but not over \$ 20,000 \$ 384 plus 6.0% of~~  
4 ~~excess over \$ 12,000~~  
5 ~~Over \$ 20,000 but not over \$ 32,000 \$ 864 plus 7.1% of~~  
6 ~~excess over \$ 20,000~~  
7 ~~Over \$ 32,000 but not over \$ 50,000 \$ 1,716 plus 7.9% of~~  
8 ~~excess over \$ 32,000~~  
9 ~~Over \$ 50,000~~ ~~\$ 3,138 plus 8.2% of~~  
10 ~~excess over \$ 50,000]~~  
11 Not over \$4,000 1.5% of taxable income  
12 Over \$ 4,000 but not over \$ 8,000 \$ 60.00 plus 3.0% of  
13 excess over \$ 4,000  
14 Over \$ 8,000 but not over \$ 12,000 \$ 180 plus 4.5% of  
15 excess over \$ 8,000  
16 Over \$ 12,000 but not over \$ 20,000 \$ 360 plus 6.0% of  
17 excess over \$ 12,000  
18 Over \$ 20,000 but not over \$ 32,000 \$ 840 plus 7.1% of  
19 excess over \$ 20,000  
20 Over \$ 32,000 \$ 1,692 plus 7.9% of  
21 excess over \$ 32,000.

22 B. For surviving spouses and married individuals  
23 filing joint returns:

24 If the taxable income is: The tax shall be:  
25 [~~Not over \$8,000~~ ~~1.7% of taxable income~~

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1 ~~Over \$ 8,000 but not over \$ 16,000 \$ 136 plus 3.2% of~~  
2 ~~excess over \$ 8,000~~  
3 ~~Over \$ 16,000 but not over \$ 24,000 \$ 392 plus 4.7% of~~  
4 ~~excess over \$ 16,000~~  
5 ~~Over \$ 24,000 but not over \$ 40,000 \$ 768 plus 6.0% of~~  
6 ~~excess over \$ 24,000~~  
7 ~~Over \$ 40,000 but not over \$ 64,000 \$ 1,728 plus 7.1% of~~  
8 ~~excess over \$ 40,000~~  
9 ~~Over \$ 64,000 but not over \$100,000 \$ 3,432 plus 7.9% of~~  
10 ~~excess over \$ 64,000~~  
11 ~~Over \$100,000~~ ~~\$ 6,276 plus 8.2% of~~  
12 ~~excess over \$100,000]~~  
13 Not over \$8,000 1.5% of taxable income  
14 Over \$ 8,000 but not over \$ 16,000 \$ 120 plus 3.0% of  
15 excess over \$ 8,000  
16 Over \$ 16,000 but not over \$ 24,000 \$ 360 plus 4.5% of  
17 excess over \$ 16,000  
18 Over \$ 24,000 but not over \$ 40,000 \$ 720 plus 6.0% of  
19 excess over \$ 24,000  
20 Over \$ 40,000 but not over \$ 64,000 \$ 1,680 plus 7.1% of  
21 excess over \$ 40,000  
22 Over \$ 64,000 \$ 3,384 plus 7.9% of  
23 excess over \$ 64,000.

24 C. For single individuals and for estates and  
25 trusts:

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1	If the taxable income is:	The tax shall be:
2	<del>[Not over \$5,500</del>	<del>1.7% of taxable income</del>
3	<del>Over \$ 5,500 but not over \$ 11,000</del>	<del>\$ 93.50 plus 3.2% of</del>
4		<del>excess over \$ 5,500</del>
5	<del>Over \$ 11,000 but not over \$ 16,000</del>	<del>\$ 269.50 plus 4.7% of</del>
6		<del>excess over \$ 11,000</del>
7	<del>Over \$ 16,000 but not over \$ 26,000</del>	<del>\$ 504.50 plus 6.0% of</del>
8		<del>excess over \$ 16,000</del>
9	<del>Over \$ 26,000 but not over \$ 42,000</del>	<del>\$1,104.50 plus 7.1% of</del>
10		<del>excess over \$ 26,000</del>
11	<del>Over \$ 42,000 but not over \$ 65,000</del>	<del>\$2,240.50 plus 7.9% of</del>
12		<del>excess over \$ 42,000</del>
13	<del>Over \$ 65,000</del>	<del>\$4,057.50 plus 8.2% of</del>
14		<del>excess over \$ 65,000]</del>
15	<u>Not over \$5,500</u>	<u>1.5% of taxable income</u>
16	<u>Over \$ 5,500 but not over \$ 11,000</u>	<u>\$ 82.50 plus 3.0% of</u>
17		<u>excess over \$ 5,500</u>
18	<u>Over \$ 11,000 but not over \$ 16,000</u>	<u>\$ 247.50 plus 4.5% of</u>
19		<u>excess over \$ 11,000</u>
20	<u>Over \$ 16,000 but not over \$ 26,000</u>	<u>\$ 472.50 plus 6.0% of</u>
21		<u>excess over \$ 16,000</u>
22	<u>Over \$ 26,000 but not over \$ 42,000</u>	<u>\$1,072.50 plus 7.1% of</u>
23		<u>excess over \$ 26,000</u>
24	<u>Over \$ 42,000</u>	<u>\$2,208.50 plus 7.9% of</u>
25		<u>excess over \$ 42,000.</u>

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D. For heads of household filing returns:

If the taxable income is: The tax shall be:

<del>[Not over \$7,000</del>	<del>1.7% of taxable income</del>
<del>Over \$ 7,000 but not over \$ 14,000</del>	<del>\$ 119 plus 3.2% of</del>
	<del>excess over \$ 7,000</del>
<del>Over \$ 14,000 but not over \$ 20,000</del>	<del>\$ 343 plus 4.7% of</del>
	<del>excess over \$ 14,000</del>
<del>Over \$ 20,000 but not over \$ 33,000</del>	<del>\$ 625 plus 6.0% of</del>
	<del>excess over \$ 20,000</del>
<del>Over \$ 33,000 but not over \$ 53,000</del>	<del>\$1,405 plus 7.1% of</del>
	<del>excess over \$ 33,000</del>
<del>Over \$ 53,000 but not over \$ 83,000</del>	<del>\$2,825 plus 7.9% of</del>
	<del>excess over \$ 53,000</del>
<del>Over \$ 83,000</del>	<del>\$5,195 plus 8.2% of</del>
	<del>excess over \$ 83,000]</del>
<u>Not over \$7,000</u>	<u>1.5% of taxable income</u>
<u>Over \$ 7,000 but not over \$ 14,000</u>	<u>\$ 105 plus 3.0% of</u>
	<u>excess over \$ 7,000</u>
<u>Over \$ 14,000 but not over \$ 20,000</u>	<u>\$ 315 plus 4.5% of</u>
	<u>excess over \$ 14,000</u>
<u>Over \$ 20,000 but not over \$ 33,000</u>	<u>\$ 585 plus 6.0% of</u>
	<u>excess over \$ 20,000</u>
<u>Over \$ 33,000 but not over \$ 53,000</u>	<u>\$1,365 plus 7.1% of</u>
	<u>excess over \$ 33,000</u>
<u>Over \$ 53,000</u>	<u>\$2,785 plus 7.9% of</u>

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excess over \$ 53,000.

E. The tax on the sum of any lump-sum amounts included in net income is an amount equal to five multiplied by the difference between:

- (1) the amount of tax due on the taxpayer's taxable income; and
- (2) the amount of tax that would be due on an amount equal to the taxpayer's taxable income and twenty percent of the taxpayer's lump-sum amounts included in net income. "

Section 3. DELAYED REPEAL. -- Section 1 of this act is repealed effective January 1, 2005.

Section 4. APPLICABILITY. --

A. The provisions of Section 1 of this act apply to taxable years beginning in 2001.

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