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SENATE BILL 700

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

INTRODUCED BY

Leonard Lee Rawson

AN ACT

RELATING TO TAXATION; EXEMPTING CERTAIN RETIREMENT INCOME FROM
TAXATION.

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 EXEMPTION-- RETIREMENT INCOME. --

A. An individual may claim an exemption from
income taxation for retirement income included in net income
in an amount not to exceed two thousand five hundred dollars
(\$2,500).

B. As used in this section, "retirement income"
means:

(1) annuity or pension income required by
federal law or regulation to be reported on information return

underscored material = new
[bracketed material] = delete

1 federal form 1099-R or a successor form used to report
2 distributions from pensions, annuities, retirement or profit-
3 sharing plans, individual retirement accounts, insurance
4 contracts and similar income that is attributable to a benefit
5 taxable for federal income tax purposes paid to an individual
6 under a qualified plan, annuity or simplified employee pension
7 plan pursuant to Sections 401 through 404, Section 408 or 457
8 of the Internal Revenue Code of 1986 and including any inside
9 buildup of interest distributed in conjunction with any of the
10 listed distributions; and

11 (2) social security or equivalent tier 1
12 railroad retirement benefit income required by federal law or
13 regulation to be reported on information return federal forms
14 SSA-1099, SSA-1042S, RRB-1099, or RRB-1042S or their
15 respective successor forms used to report distributions of
16 social security or equivalent tier 1 railroad retirement
17 benefits that are attributable to a benefit taxable for
18 federal income tax purposes and paid to an individual pursuant
19 to Section 86 of the Internal Revenue Code of 1986. "

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