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HOUSE BILL 410

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX REBATE FOR GROSS RECEIPTS TAXES ON FOOD FOR CERTAIN RESIDENT TAXPAYERS.

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]~~ TAX REBATE FOR GROSS RECEIPTS TAX ON FOOD-- REFUND. --

A. Except as provided in Subsection D of this section, any resident who files an individual New Mexico income tax return for a taxable year beginning on or after January 1, 2002, who is not a dependent of another taxpayer, may claim a tax rebate for a portion of gross receipts taxes on food purchases to which he has been subject during the taxable year for which the return is filed. The tax rebate

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1 provided in this section may be claimed in the amount shown in  
2 the appropriate filing status table in Subsections B and C of  
3 this section for each exemption.

4 B. For heads of household, surviving spouses and  
5 married individuals filing joint returns, the tax rebate shall  
6 be at the following amounts based upon the modified gross  
7 income of the taxpayer:

8	If modified gross income is:	The tax rebate per exemption	
9	Over	But Not Over	shall be:
10	\$ 0	\$12,000	\$ 45.00
11	12,000	16,000	30.00
12	16,000	22,000	15.00
13	22,000		0.

14 If the taxpayer's modified gross income is zero or less  
15 than zero, the tax rebate per exemption shall be forty-five  
16 dollars (\$45.00).

17 C. For married individuals filing separate  
18 returns, the tax rebate shall be at the following amounts  
19 based upon the modified gross income of the taxpayer:

20	If modified gross income is:	The tax rebate per exemption	
21	Over	But Not Over	shall be:
22	\$ 0	\$ 6,000	\$ 45.00
23	6,000	8,000	30.00
24	8,000	11,000	15.00
25	11,000		0.

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1           If the taxpayer's modified gross income is zero or less  
2 than zero, the tax rebate per exemption shall be forty-five  
3 dollars (\$45.00).

4           D. No claim for the tax rebate provided in this  
5 section shall be filed by a resident who was an inmate of a  
6 public institution for more than six months during the taxable  
7 year for which the tax rebate could be claimed or who was not  
8 physically present in New Mexico for at least six months  
9 during the taxable year for which the tax rebate could be  
10 claimed.

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

16           F. For the purpose of this section, the number of  
17 exemptions for which a tax rebate may be claimed or allowed is  
18 determined by adding the number of exemptions allowable for  
19 federal income tax purposes for each individual included in  
20 the return who is domiciled in New Mexico. "

21           Section 2. APPLICABILITY. -- The provisions of this act  
22 apply to taxable years beginning on or after January 1, 2002.