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HOUSE BILL 284

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

INTRODUCED BY

Joe Mohorovic

AN ACT

RELATING TO TAXATION; REDUCING PERSONAL INCOME TAX RATES.

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

Section 1. Section 7-2-7 NMSA 1978 (being Laws 1994, Chapter 5, Section 20, as amended) is amended to read:

"7-2-7. INDIVIDUAL INCOME TAX RATES.--The tax imposed by Section 7-2-3 NMSA 1978 shall be at the following rates for any taxable year beginning on or after January 1, ~~1998~~ 2002:

A. For married individuals filing separate returns:

| If the taxable income is:                       | The tax shall be:                                     |
|---|---|
| <del>[Not over \$4,000</del>                    | <del>1.7% of taxable income</del>                     |
| <del>Over \$ 4,000 but not over \$ 8,000</del>  | <del>\$ 68.00 plus 3.2% of excess over \$ 4,000</del> |
| <del>Over \$ 8,000 but not over \$ 12,000</del> | <del>\$ 196 plus 4.7% of excess over \$ 8,000</del>   |

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1 ~~Over \$ 12,000 but not over \$ 20,000 \$ 384 plus 6.0% of excess~~  
2 ~~over \$ 12,000~~  
3 ~~Over \$ 20,000 but not over \$ 32,000 \$ 864 plus 7.1% of excess~~  
4 ~~over \$ 20,000~~  
5 ~~Over \$ 32,000 but not over \$ 50,000 \$ 1,716 plus 7.9% of~~  
6 ~~excess over \$ 32,000~~  
7 ~~Over \$ 50,000 \$ 3,138 plus 8.2% of~~  
8 ~~excess over \$ 50,000.]~~  
9 Not over \$4,000 1.6% of taxable income  
10 Over \$ 4,000 but not over \$ 8,000 \$ 64.00 plus 3.1% of  
11 excess over \$ 4,000  
12 Over \$ 8,000 but not over \$ 12,000 \$ 188 plus 4.6% of  
13 excess over \$ 8,000  
14 Over \$ 12,000 but not over \$ 20,000 \$ 372 plus 5.8% of  
15 excess over \$ 12,000  
16 Over \$ 20,000 but not over \$ 32,000 \$ 836 plus 7.0% of  
17 excess over \$ 20,000  
18 Over \$ 32,000 but not over \$ 50,000 \$ 1,676 plus 7.7% of  
19 excess over \$ 32,000  
20 Over \$ 50,000 \$ 3,062 plus 7.9% of  
21 excess over \$ 50,000.

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 1.6% of taxable income  
14 Over \$ 8,000 but not over \$ 16,000 \$ 128 plus 3.1% of  
15 excess over \$ 8,000  
16 Over \$ 16,000 but not over \$ 24,000 \$ 376 plus 4.6% of  
17 excess over \$ 16,000  
18 Over \$ 24,000 but not over \$ 40,000 \$ 744 plus 5.8% of  
19 excess over \$ 24,000  
20 Over \$ 40,000 but not over \$ 64,000 \$ 1,672 plus 7.0% of  
21 excess over \$ 40,000  
22 Over \$ 64,000 but not over \$100,000 \$ 3,352 plus 7.7% of  
23 excess over \$ 64,000  
24 Over \$100,000 \$ 6,124 plus 7.9% of  
25 excess over \$100,000.

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C. For single individuals and for estates and trusts:

| If the taxable income is:                        | The tax shall be:  |
|--|--|
| <del>[Not over \$5,500</del>                     | <del>1.7% of taxable income</del>                          |
| <del>Over \$ 5,500 but not over \$ 11,000</del>  | <del>\$ 93.50 plus 3.2% of excess over \$ 5,500</del>      |
| <del>Over \$ 11,000 but not over \$ 16,000</del> | <del>\$ 269.50 plus 4.7% of excess over \$ 11,000</del>    |
| <del>Over \$ 16,000 but not over \$ 26,000</del> | <del>\$ 504.50 plus 6.0% of excess over \$ 16,000</del>    |
| <del>Over \$ 26,000 but not over \$ 42,000</del> | <del>\$1,104.50 plus 7.1% of excess over \$ 26,000</del>   |
| <del>Over \$ 42,000 but not over \$ 65,000</del> | <del>\$2,240.50 plus 7.9% of excess over \$ 42,000</del>   |
| <del>Over \$ 65,000</del>                        | <del>\$4,057.50 plus 8.2% of excess over \$ 65,000.]</del> |
| <u>Not over \$5,500</u>                          | <u>1.6% of taxable income</u>                              |
| <u>Over \$ 5,500 but not over \$ 11,000</u>      | <u>\$ 88.00 plus 3.1% of excess over \$ 5,500</u>          |
| <u>Over \$ 11,000 but not over \$ 16,000</u>     | <u>\$ 258.50 plus 4.6% of excess over \$ 11,000</u>        |
| <u>Over \$ 16,000 but not over \$ 26,000</u>     | <u>\$ 488.50 plus 5.8% of excess over \$ 16,000</u>        |
| <u>Over \$ 26,000 but not over \$ 42,000</u>     | <u>\$1,068.50 plus 7.0% of excess over \$ 26,000</u>       |

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1 Over \$ 42,000 but not over \$ 65,000 \$2,188.50 plus 7.7% of  
2 excess over \$ 42,000  
3 Over \$ 65,000 \$3,959.50 plus 7.9% of  
4 excess over \$ 65,000.

5 D. For heads of household filing returns:

6 If the taxable income is: The tax shall be:

7 [~~Not over \$7,000~~ ~~1.7% of taxable income~~

8 ~~Over \$ 7,000 but not over \$ 14,000~~ ~~\$ 119 plus 3.2% of~~  
9 ~~excess over \$ 7,000~~

10 ~~Over \$ 14,000 but not over \$ 20,000~~ ~~\$ 343 plus 4.7% of~~  
11 ~~excess over \$ 14,000~~

12 ~~Over \$ 20,000 but not over \$ 33,000~~ ~~\$ 625 plus 6.0% of~~  
13 ~~excess over \$ 20,000~~

14 ~~Over \$ 33,000 but not over \$ 53,000~~ ~~\$1,405 plus 7.1% of~~  
15 ~~excess over \$ 33,000~~

16 ~~Over \$ 53,000 but not over \$ 83,000~~ ~~\$2,825 plus 7.9% of~~  
17 ~~excess over \$ 53,000~~

18 ~~Over \$ 83,000~~ ~~\$5,195 plus 8.2% of~~  
19 ~~excess over \$ 83,000.]~~

20 Not over \$7,000 1.6% of taxable income

21 Over \$ 7,000 but not over \$ 14,000 \$ 112 plus 3.1% of  
22 excess over \$ 7,000

23 Over \$ 14,000 but not over \$ 20,000 \$ 329 plus 4.6% of  
24 excess over \$ 14,000

25 Over \$ 20,000 but not over \$ 33,000 \$ 605 plus 5.8% of

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1 excess over \$ 20,000  
2 Over \$ 33,000 but not over \$ 53,000 \$1,359 plus 7.0% of  
3 excess over \$ 33,000  
4 Over \$ 53,000 but not over \$ 83,000 \$2,759 plus 7.7% of  
5 excess over \$ 53,000  
6 Over \$ 83,000 \$5,069 plus 7.9% of  
7 excess over \$ 83,000.

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

11 (1) the amount of tax due on the taxpayer's  
12 taxable income; and

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

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