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SENATE BILL 209

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

INTRODUCED BY

Kent L. Cravens

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:
[Not over \$4,000	1.7% of taxable income
Over \$ 4,000 but not over \$ 8,000	\$ 68.00 plus 3.2% of excess over \$ 4,000
Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of excess over \$ 8,000

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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:
[Not over \$5,500	1.7% of taxable income
Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of excess over \$ 5,500
Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of excess over \$ 11,000
Over \$ 16,000 but not over \$ 26,000	\$ 504.50 plus 6.0% of excess over \$ 16,000
Over \$ 26,000 but not over \$ 42,000	\$1,104.50 plus 7.1% of excess over \$ 26,000
Over \$ 42,000 but not over \$ 65,000	\$2,240.50 plus 7.9% of excess over \$ 42,000
Over \$ 65,000	\$4,057.50 plus 8.2% of excess over \$ 65,000.]
<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.