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HOUSE BILL 110

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Bill McCamley

AN ACT

RELATING TO TAXATION; CREATING A NEW PERSONAL INCOME TAX
BRACKET FOR HIGHER-INCOME EARNERS; REDUCING THE PERSONAL INCOME
TAX RATES FOR OTHER TAXPAYERS.

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

SECTION 1. Section 7-2-7 NMSA 1978 (being Laws 2005,
Chapter 104, Section 4) 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, [~~2008~~] 2015:

A. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
Not over \$4,000	[1.7%] <u>1.3%</u> of taxable income
Over \$ 4,000 but not over \$ 8,000	[\$ 68.00] <u>\$52.00</u> plus

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1 [3.2%] 2.8% of excess
2 over \$ 4,000
3 Over \$ 8,000 but not over \$ 12,000 [~~\$—196~~] \$164 plus [4.7%]
4 4.3% of excess over
5 \$ 8,000
6 Over \$ 12,000 but not over \$ 45,000 [~~\$—384~~] \$336 plus [4.9%]
7 4.5% of excess over
8 \$ 12,000
9 Over \$ 45,000 \$ 1,821 plus 5.9% of
10 excess over \$ 45,000.

11 B. For heads of household, surviving spouses and
12 married individuals filing joint returns:

13 If the taxable income is: The tax shall be:
14 Not over \$8,000 [~~1.7%~~] 1.3% of taxable
15 income
16 Over \$ 8,000 but not over \$ 16,000 [~~\$—136~~] \$104 plus [3.2%]
17 2.8% of excess over
18 \$ 8,000
19 Over \$ 16,000 but not over \$ 24,000 [~~\$—392~~] \$328 plus [4.7%]
20 4.3% of excess over
21 \$ 16,000
22 Over \$ 24,000 but not over \$ 90,000 [~~\$—768~~] \$672 plus [4.9%]
23 4.5% of excess over \$
24 24,000
25 Over \$ 90,000 \$ 3,642 plus 5.9% of

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1 excess over \$ 90,000.

2 C. For single individuals and for estates and
3 trusts:

4	If the taxable income is:	The tax shall be:
5	Not over \$5,500	[1.7%] <u>1.3%</u> of taxable
6		income
7	Over \$ 5,500 but not over \$ 11,000	[\$—93.50] <u>\$71.50</u> plus
8		[3.2%] <u>2.8%</u> of excess
9		over \$ 5,500
10	Over \$ 11,000 but not over \$ 16,000	[\$—269.50] <u>\$225.50</u> plus
11		[4.7%] <u>4.3%</u> of excess
12		over \$ 11,000
13	Over \$ 16,000 <u>but not over \$ 60,000</u>	[\$—504.50] <u>\$440.50</u> plus
14		[4.9%] <u>4.5%</u> of excess
15		over \$ 16,000
16	<u>Over \$ 60,000</u>	<u>\$ 2,420.50 plus 5.9% of</u>
17		<u>excess over \$ 60,000.</u>

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

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

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

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income."

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