HOUSE BILL 540

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; CREATING A NEW PERSONAL INCOME TAX
BRACKET FOR HIGHER-INCOME EARNERS.

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% 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

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	excess over $ 8,000
Over $ 12,000 but not over $112,500	$ 384 plus 4.9% of
	excess over $ 12,000
Over $ 112,500	$ 5,308.50 plus 5.9% of
	excess over $112,500.

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

If the taxable income is:	The tax shall be:
Not over $8,000	1.7% of taxable income
Over $ 8,000 but not over $ 16,000	$ 136 plus 3.2% of
	excess over $ 8,000
Over $ 16,000 but not over $ 24,000	$ 392 plus 4.7% of
	excess over $ 16,000
Over $ 24,000 but not over $225,000	$ 768 plus 4.9% of
	excess over $ 24,000
Over $ 225,000	$ 10,617 plus 5.9% of
	excess over $225,000.

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

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Over $ 16,000 <u>but not over $150,000</u> $ 504.50 plus 4.9% of

                                                  excess over $16,000

<u>Over $ 150,000</u>   <u>$ 7,070.50 plus 5.9% of</u>

                                                  <u>excess over $150,000</u>.

D.   The tax on the sum of any lump-sum amounts

included in net income is an amount equal to five multiplied by

the difference between:

(1)   the amount of tax due on the taxpayer's

taxable income; and

(2)   the amount of tax that would be due on an

amount equal to the taxpayer's taxable income and twenty

percent of the taxpayer's lump-sum amounts included in net

income."

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