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HOUSE BILL 255

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Antonio "Moe" Maestas

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~~] 2016:

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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1 excess over \$8,000
2 Over \$12,000 but not over \$75,000 \$384 plus 4.9% of
3 excess over \$12,000
4 Over \$75,000 \$3,471 plus 5.9% of
5 excess over \$75,000.

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

8	If the taxable income is:	The tax shall be:
9	Not over \$8,000	1.7% of taxable income
10	Over \$8,000 but not over \$16,000	\$136 plus 3.2% of
11		excess over \$8,000
12	Over \$16,000 but not over \$24,000	\$392 plus 4.7% of
13		excess over \$16,000
14	Over \$24,000 <u>but not over \$150,000</u>	\$768 plus 4.9% of
15		excess over \$24,000
16	<u>Over \$150,000</u>	<u>\$6,942 plus 5.9% of</u>
17		<u>excess over \$150,000.</u>

18 C. For single individuals and for estates and
19 trusts:

20	If the taxable income is:	The tax shall be:
21	Not over \$5,500	1.7% of taxable income
22	Over \$5,500 but not over \$11,000	\$93.50 plus 3.2% of
23		excess over \$5,500
24	Over \$11,000 but not over \$16,000	\$269.50 plus 4.7% of
25		excess over \$11,000

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1 Over \$16,000 but not over \$100,000 \$504.50 plus 4.9% of
2 excess over \$6,000
3 Over \$100,000 \$4,620.50 plus 5.9% of
4 excess over \$100,000.

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

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

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