

1 HOUSE BILL 216

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

3 INTRODUCED BY

4 Daymon Ely and Angelica Rubio

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10 AN ACT

11 RELATING TO TAXATION; INCREASING THE WORKING FAMILIES TAX
12 CREDIT; LIMITING THE CAPITAL GAINS DEDUCTION FROM NET INCOME.

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

15 SECTION 1. Section 7-2-18.15 NMSA 1978 (being Laws 2007,
16 Chapter 45, Section 9, as amended) is amended to read:

17 "7-2-18.15. WORKING FAMILIES TAX CREDIT.--

18 A. A resident who files an individual New Mexico
19 income tax return may claim a credit in an amount equal to [~~ten~~
20 ~~percent~~] the following percentages of the federal income tax
21 credit for which that individual is eligible for the same
22 taxable year pursuant to Section 32 of the Internal Revenue
23 Code:

24 (1) for taxable years prior to January 1,
25 2020, twelve percent;

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1 (2) for taxable years beginning January 1,
2 2020 and prior to January 1, 2021, twelve percent;

3 (3) for taxable years beginning January 1,
4 2021 and prior to January 1, 2022, fourteen percent;

5 (4) for taxable years beginning January 1,
6 2022 and prior to January 1, 2023, sixteen percent;

7 (5) for taxable years beginning January 1,
8 2023 and prior to January 1, 2024, sixteen percent;

9 (6) for taxable years beginning January 1,
10 2024 and prior to January 1, 2025, eighteen percent; and

11 (7) for taxable years beginning January 1,
12 2025, twenty percent.

13 B. The credit provided in this section may be
14 referred to as the "working families tax credit".

15 ~~[B-]~~ C. The working families tax credit may be
16 deducted from the income tax liability of an individual who
17 claims the credit and qualifies for the credit pursuant to this
18 section. If the credit exceeds the individual's income tax
19 liability for the taxable year, the excess shall be refunded to
20 the individual."

21 SECTION 2. Section 7-2-34 NMSA 1978 (being Laws 1999,
22 Chapter 205, Section 1, as amended) is amended to read:

23 "7-2-34. DEDUCTION--NET CAPITAL GAIN INCOME.--

24 A. Except as provided in Subsection C of this
25 section, a taxpayer may claim a deduction from net income in an

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underscored material = new
[bracketed material] = delete

1 amount equal to ~~[the greater of:~~

2 ~~(1)]~~ the taxpayer's net capital gain income for
3 the taxable year for which the deduction is being claimed, but
4 not to exceed one thousand dollars (\$1,000) ~~[or~~

5 ~~(2) the following percentage of the taxpayer's~~
6 ~~net capital gain income for the taxable year for which the~~
7 ~~deduction is being claimed:~~

8 ~~(a) for a taxable year beginning in~~
9 ~~2003, ten percent;~~

10 ~~(b) for a taxable year beginning in~~
11 ~~2004, twenty percent;~~

12 ~~(c) for a taxable year beginning in~~
13 ~~2005, thirty percent;~~

14 ~~(d) for a taxable year beginning in~~
15 ~~2006, forty percent; and~~

16 ~~(e) for taxable years beginning on or~~
17 ~~after January 1, 2007, fifty percent].~~

18 B. ~~[A husband and wife]~~ Married individuals who
19 file separate returns for a taxable year in which they could
20 have filed a joint return may each claim only one-half of the
21 deduction provided by this section that would have been allowed
22 on the joint return.

23 C. A taxpayer may not claim the deduction provided
24 in Subsection A of this section if the taxpayer has claimed the
25 credit provided in Section 7-2D-8.1 NMSA 1978.

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