

SENATE PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILL 303

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

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
CREATING NEW INCOME TAX BRACKETS; REPEALING AN OUTDATED VERSION
OF SECTION 7-2-7 NMSA 1978 (BEING LAWS 2005 (1ST S.S.), CHAPTER
3, SECTION 2).

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~~ 2019:

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

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1		excess over \$4,000
2	Over \$8,000 but not over \$12,000	\$196 plus 4.7% of
3		excess over \$8,000
4	Over \$12,000 <u>but not over \$75,000</u>	\$384 plus 4.9% of
5		excess over \$12,000
6	<u>Over \$75,000 but not over \$150,000</u>	<u>\$3,471 plus 5.9% of</u>
7		<u>excess over \$75,000</u>
8	<u>Over \$150,000 but not over \$225,000</u>	<u>\$7,896 plus 6.9% of</u>
9		<u>excess over \$150,000</u>
10	<u>Over \$225,000</u>	<u>\$13,071 plus 7.9% of</u>
11		<u>excess over \$225,000.</u>

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

14	If the taxable income is:	The tax shall be:
15	Not over \$8,000	1.7% of taxable income
16	Over \$8,000 but not over \$16,000	\$136 plus 3.2% of
17		excess over \$8,000
18	Over \$16,000 but not over \$24,000	\$392 plus 4.7% of
19		excess over \$16,000
20	Over \$24,000 <u>but not over \$150,000</u>	\$768 plus 4.9% of
21		excess over \$24,000
22	<u>Over \$150,000 but not over \$300,000</u>	<u>\$6,942 plus 5.9% of</u>
23		<u>excess over \$150,000</u>
24	<u>Over \$300,000 but not over \$450,000</u>	<u>\$15,792 plus 6.9% of</u>
25		<u>excess over \$300,000</u>

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1 Over \$450,000 \$26,142 plus 7.9% of
 2 excess over \$450,000.

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

5 If the taxable income is:	The tax shall be:
6 Not over \$5,500	1.7% of taxable income
7 Over \$5,500 but not over \$11,000	\$93.50 plus 3.2% of
8 excess over \$5,500	
9 Over \$11,000 but not over \$16,000	\$269.50 plus 4.7% of
10 excess over \$11,000	
11 Over \$16,000 <u>but not over \$100,000</u>	\$504.50 plus 4.9% of
12 excess over \$16,000	
13 <u>Over \$100,000 but not over \$200,000</u>	<u>\$4,620.50 plus 5.9% of</u>
14 <u>excess over \$100,000</u>	
15 <u>Over \$200,000 but not over \$300,000</u>	<u>\$10,520.50 plus 6.9% of</u>
16 <u>excess over \$200,000</u>	
17 <u>Over \$300,000</u>	<u>\$17,420.50 plus 7.9% of</u>
18 <u>excess over \$300,000.</u>	

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

- 22 (1) the amount of tax due on the taxpayer's
- 23 taxable income; and
- 24 (2) the amount of tax that would be due on an
- 25 amount equal to the taxpayer's taxable income and twenty

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1 percent of the taxpayer's lump-sum amounts included in net
2 income."

3 SECTION 2. REPEAL.--That version of Section 7-2-7 NMSA
4 1978 (being Laws 2005 (1st S.S.), Chapter 3, Section 2) is
5 repealed.

6 SECTION 3. EFFECTIVE DATE.--The effective date of the
7 provisions of this act is January 1, 2019.