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HOUSE BILL 2

55TH LEGISLATURE - STATE OF NEW MEXICO - THIRD SPECIAL SESSION, 2022

INTRODUCED BY

Christine Chandler and Pamelya Herndon and Javier Martínez and
Roberto "Bobby" J. Gonzales and Andrea Romero

AN ACT

RELATING TO HOUSEHOLD RELIEF; CREATING SUPPLEMENTAL 2021 INCOME
TAX REBATES; PROVIDING RELIEF PAYMENTS TO STATE RESIDENTS NOT
ELIGIBLE FOR THE REBATES; AUTHORIZING A TRANSFER FROM THE TAX
STABILIZATION RESERVE IF REVENUES AND TRANSFERS ARE NOT
SUFFICIENT TO MEET APPROPRIATIONS DUE TO THE COST OF THE
REBATES AND RELIEF PAYMENTS; MAKING APPROPRIATIONS; DECLARING
AN EMERGENCY.

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

SECTION 1. A new section of the Income Tax Act is enacted
to read:

"[NEW MATERIAL] SUPPLEMENTAL 2021 INCOME TAX REBATES.--

A. A resident who files an individual New Mexico
income tax return for taxable year 2021 by May 31, 2023 and who
is not a dependent of another individual is eligible for two

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1 tax rebates pursuant to this section.

2 B. For a resident who files an income tax return by
3 May 31, 2022:

4 (1) the first tax rebate shall be made as soon
5 as possible, but no later than June 30, 2022, in the following
6 amounts:

7 (a) five hundred dollars (\$500) for
8 heads of household, surviving spouses and married individuals
9 filing joint returns; and

10 (b) two hundred fifty dollars (\$250) for
11 single individuals and married individuals filing separate
12 returns; and

13 (2) the second tax rebate shall be made
14 between September 1 and September 30, 2022 in the following
15 amounts:

16 (a) five hundred dollars (\$500) for
17 heads of household, surviving spouses and married individuals
18 filing joint returns; and

19 (b) two hundred fifty dollars (\$250) for
20 single individuals and married individuals filing separate
21 returns.

22 C. For a resident who files an income tax return
23 for taxable year 2021 after May 31, 2022, rebates shall be made
24 in the amounts and as provided in Subsection B of this section
25 as soon as possible after the return is received; provided that

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1 a rebate shall not be allowed for a return filed after May 31,
2 2023.

3 D. The rebates provided by this section may be
4 deducted from the taxpayer's New Mexico income tax liability
5 for taxable year 2021. If the amount of rebate exceeds the
6 taxpayer's income tax liability, the excess shall be refunded
7 to the taxpayer.

8 E. The department may require a taxpayer to claim a
9 rebate provided by this section on forms and in a manner
10 required by the department."

11 SECTION 2. TEMPORARY PROVISION--RELIEF PAYMENT.--

12 A. The human services department shall provide a
13 relief payment to state residents on a first-come, first-served
14 basis pursuant to this section until the appropriation pursuant
15 to Subsection A of Section 4 of this act is exhausted; provided
16 that the state residents:

17 (1) are not eligible for a tax rebate provided
18 by Section 1 of this act;

19 (2) are not dependents, as that term is used
20 in the Income Tax Act, of a recipient of a rebate provided by
21 Section 1 of this act;

22 (3) were at least eighteen years of age during
23 any part of 2021; and

24 (4) file an application with the department by
25 May 31, 2023.

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1 B. For a resident who applies to the department by
2 May 31, 2022, the relief payment shall be made as soon as
3 possible, but no later than July 31, 2022, in the following
4 amounts:

5 (1) one thousand dollars (\$1,000) for
6 households of married couples or single individuals with one or
7 more dependents; and

8 (2) five hundred dollars (\$500) for households
9 of single individuals without dependents.

10 C. For a resident who files an application after
11 May 31, 2022, the relief payment shall be made in the amounts
12 and as provided in Subsection B of this section as soon as
13 possible after the application is received; provided that a
14 relief payment shall not be allowed for an application received
15 after May 31, 2023.

16 D. The department shall require a resident to apply
17 for the relief provided by this section on forms and in a
18 manner required by the department. The application shall
19 include documentation of the resident's social security number
20 or individual taxpayer identification number.

21 SECTION 3. TEMPORARY PROVISION--TRANSFER FROM TAX
22 STABILIZATION RESERVE.--If revenues and transfers to the
23 general fund are not sufficient to meet appropriations at the
24 end of fiscal year 2022 due to the cost of the rebates and
25 relief payments provided by this act, the governor, with state

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1 board of finance approval, may transfer to the appropriation
2 account of the general fund the amount necessary to meet that
3 fiscal year's obligations from the tax stabilization reserve
4 pursuant to Section 6-4-2.2 NMSA 1978; provided that the total
5 amount transferred pursuant to this section shall not exceed
6 two hundred million dollars (\$200,000,000).

7 SECTION 4. APPROPRIATIONS.--

8 A. Twenty million dollars (\$20,000,000) is
9 appropriated from the general fund to the human services
10 department for expenditure in fiscal years 2022 and 2023 to
11 provide the relief payments pursuant to Section 2 of this act.
12 Any unexpended or unencumbered balance remaining at the end of
13 fiscal year 2023 shall revert to the general fund.

14 B. Ten thousand dollars (\$10,000) is appropriated
15 from the general fund to the human services department for
16 expenditure in fiscal years 2022 and 2023 for reasonable
17 technology and administrative costs necessary to implement the
18 provisions of Section 2 of this act. Any unexpended or
19 unencumbered balance remaining at the end of fiscal year 2023
20 shall revert to the general fund.

21 C. Six hundred thousand dollars (\$600,000) is
22 appropriated from the general fund to the taxation and revenue
23 department for expenditure in fiscal years 2022 and 2023 for
24 reasonable technology and administrative costs necessary to
25 implement the provisions of Section 1 of this act and to assist

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1 the human services department with implementation of the
2 provisions of Section 2 of this act. Any unexpended or
3 unencumbered balance remaining at the end of fiscal year 2023
4 shall revert to the general fund.

5 D. One hundred seventy-five thousand dollars
6 (\$175,000) is appropriated from the general fund to the
7 department of finance and administration for expenditure in
8 fiscal years 2022 and 2023 for fiscal agent fees and
9 administrative expenses necessary to implement the provisions
10 of this act. Any unexpended or unencumbered balance remaining
11 at the end of fiscal year 2023 shall revert to the general
12 fund.

13 SECTION 5. EMERGENCY.--It is necessary for the public
14 peace, health and safety that this act take effect immediately.