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SENATE BILL 389

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

CARLOS R. CISNEROS

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO EXPAND THE
TAX REBATE TO PERMANENTLY DISABLED TAXPAYERS.

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

Section 1. Section 7-2-18 NMSA 1978 (being Laws 1977,
Chapter 196, Section 1, as amended) is amended to read:

"7-2-18. TAX REBATE OF PROPERTY TAX DUE [~~WHICH~~] THAT
EXCEEDS [THE] AN ELDERLY OR PERMANENTLY DISABLED TAXPAYER'S
MAXIMUM PROPERTY TAX LIABILITY--REFUND.--

A. Any resident who has attained the age of sixty-
five or who is fifty percent or more permanently disabled and
files an individual New Mexico income tax return and is not a
dependent of another individual may claim a tax rebate for the
taxable year for which the return is filed. The tax rebate
shall be the amount of property tax due on the resident's

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1 principal place of residence for the taxable year [~~which~~] that
2 exceeds the property tax liability indicated by the table in
3 Subsection F of this section, based upon the taxpayer's modified
4 gross income.

5 B. Any resident otherwise qualified under this
6 section who rents a principal place of residence from another
7 person may calculate the amount of property tax due by
8 multiplying the gross rent for the taxable year by six percent.
9 The tax rebate shall be the amount of property tax due on the
10 taxpayer's principal place of residence for the taxable year
11 [~~which~~] that exceeds the property tax liability indicated by the
12 table in Subsection F of this section, based upon the taxpayer's
13 modified gross income.

14 C. "Principal place of residence" for purposes of
15 this section means the dwelling, whether owned or rented, and so
16 much of the land surrounding it, not to exceed five acres, as is
17 reasonably necessary for use of the dwelling as a home and may
18 consist of a part of a multi-dwelling or a multipurpose building
19 and a part of the land upon which it is built.

20 D. No claim for the tax rebate provided in this
21 section shall be allowed a resident who was an inmate of a
22 public institution for more than six months during the taxable
23 year or who was not physically present in New Mexico for at
24 least six months during the taxable year for which the tax
25 rebate could be claimed.

1 E. A husband and wife who file separate returns for
 2 a taxable year in which they could have filed a joint return may
 3 each claim only one-half of the tax rebate that would have been
 4 allowed on a joint return.

5 F. The tax rebate provided for in this section may
 6 be claimed in the amount of the property tax due each taxable
 7 year [~~which~~] that exceeds the amount shown as property tax
 8 liability in the following table:

9 ELDERLY AND DISABLED HOMEOWNERS' MAXIMUM PROPERTY TAX

10 LIABILITY TABLE

		Property Tax	
<u>Taxpayer's Modified Gross Income</u>		<u>Liability</u>	
		But Not	
<u>Over</u>	<u>Over</u>		
\$ 0	\$1, 000	\$20	
1, 000	2, 000	25	
2, 000	3, 000	30	
3, 000	4, 000	35	
4, 000	5, 000	40	
5, 000	6, 000	45	
6, 000	7, 000	50	
7, 000	8, 000	55	
8, 000	9, 000	60	
9, 000	10, 000	75	
10, 000	11, 000	90	

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1	11, 000	12, 000	105
2	12, 000	13, 000	120
3	13, 000	14, 000	135
4	14, 000	15, 000	150
5	15, 000	16, 000	180.

6 G. If a taxpayer's modified gross income is zero,
7 the taxpayer may claim a tax rebate based upon the amount shown
8 in the first row of the table. The tax rebate provided for in
9 this section shall not exceed [~~two hundred fifty dollars (\$250)~~]
10 five hundred dollars (\$500) per return, and, if a return is
11 filed separately [~~which~~] that could have been filed jointly, the
12 tax rebate shall not exceed [~~one hundred twenty five dollars~~
13 ~~(\$125)~~] two hundred fifty dollars (\$250). No tax rebate shall
14 be allowed any taxpayer whose modified gross income exceeds
15 [~~sixteen thousand dollars (\$16,000)~~] twenty-five thousand
16 dollars (\$25,000).

17 H. The tax rebate provided for in this section may
18 be deducted from the taxpayer's New Mexico income tax liability
19 for the taxable year. If the tax rebate exceeds the taxpayer's
20 income tax liability, the excess shall be refunded to the
21 taxpayer. "

22 Section 2. APPLICABILITY. --The provisions of this act
23 apply to taxable years beginning on or after January 1, 1996.

1 FORTY- SECOND LEGISLATURE

2 SECOND SESSION, 1996

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6 JANUARY 29, 1996

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8 Mr. President:

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10 Your COMMITTEES' COMMITTEE, to whom has been referred

11
12 SENATE BILL 389

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14
15 has had it under consideration and finds same to be GERMANE, PURSUANT
16 TO CONSTITUTIONAL PROVISIONS, and thence referred to the WAYS AND
17 MEANS COMMITTEE.

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19 Respectfully submitted,

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SENATOR MANNY M. ARAGON, Chairman

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~~[bracketed material] = delete~~

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(Chief Clerk)

(Chief Clerk)

Date _____

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