

HOUSE BILL

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; CHANGING THE BASIS OF THE LOW-INCOME
COMPREHENSIVE TAX REBATE TO AN AMOUNT DETERMINED BY THE
PERCENTAGE OF FEDERAL POVERTY GUIDELINES OF A TAXPAYER'S
HOUSEHOLD INCOME; CHANGING A DEDUCTION FROM GROSS RECEIPTS FOR
THE SALE OF FOOD TO BENEFICIARIES OF THE FEDERAL SUPPLEMENTAL
NUTRITION ASSISTANCE PROGRAM.

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

SECTION 1. Section 7-2-14 NMSA 1978 (being Laws 1972,
Chapter 20, Section 2, as amended) is amended to read:

"7-2-14. LOW-INCOME COMPREHENSIVE TAX REBATE.--

A. Except as otherwise provided in Subsection B of
this section, any resident who files an individual New Mexico
income tax return and who is not a dependent of another
individual may claim a tax rebate for a portion of state and

.205288.2

1 local taxes to which the resident has been subject during the
2 taxable year for which the return is filed. The tax rebate may
3 be claimed even though the resident has no income taxable under
4 the Income Tax Act. ~~[A husband and wife]~~ Married individuals
5 who file separate returns for a taxable year in which they
6 could have filed a joint return may each claim only one-half of
7 the tax rebate that would have been allowed on a joint return.

8 B. No claim for the tax rebate provided in this
9 section shall be filed by a resident who was an inmate of a
10 public institution for more than six months during the taxable
11 year for which the tax rebate could be claimed or who was not
12 physically present in New Mexico for at least six months during
13 the taxable year for which the tax rebate could be claimed.

14 ~~[C. For the purposes of this section, the total~~
15 ~~number of exemptions for which a tax rebate may be claimed or~~
16 ~~allowed is determined by adding the number of federal~~
17 ~~exemptions allowable for federal income tax purposes for each~~
18 ~~individual included in the return who is domiciled in New~~
19 ~~Mexico plus two additional exemptions for each individual~~
20 ~~domiciled in New Mexico included in the return who is sixty-~~
21 ~~five years of age or older plus one additional exemption for~~
22 ~~each individual domiciled in New Mexico included in the return~~
23 ~~who, for federal income tax purposes, is blind plus one~~
24 ~~exemption for each minor child or stepchild of the resident who~~
25 ~~would be a dependent for federal income tax purposes if the~~

public assistance contributing to the support of the child or stepchild was considered to have been contributed by the resident.

D. The tax rebate provided for in this section may be claimed in the amount shown in the following table:

Modified gross income is: And the total number of exemptions is:

But Not		6 or					
Over	Over	1	2	3	4	5	More
\$ 0	\$ 500	\$ 120	\$ 160	\$ 200	\$ 240	\$ 280	\$ 320
500	1,000	135	195	250	310	350	415
1,000	1,500	135	195	250	310	350	435
1,500	2,000	135	195	250	310	350	450
2,000	2,500	135	195	250	310	350	450
2,500	3,000	135	195	250	310	350	450
3,000	3,500	135	195	250	310	350	450
3,500	4,000	135	195	250	310	355	450
4,000	4,500	135	195	250	310	355	450
4,500	5,000	125	190	240	305	355	450
5,000	5,500	115	175	230	295	355	430
5,500	6,000	105	155	210	260	315	410
6,000	7,000	90	130	170	220	275	370
7,000	8,000	80	115	145	180	225	295
8,000	9,000	70	105	135	170	195	240
9,000	10,000	65	95	115	145	175	205

.205288.2

1	10,000	11,000	60	80	100	130	155	185
2	11,000	12,000	55	70	90	110	135	160
3	12,000	13,000	50	65	85	100	115	140
4	13,000	14,000	50	65	85	100	115	140
5	14,000	15,000	45	60	75	90	105	120
6	15,000	16,000	40	55	70	85	95	110
7	16,000	17,000	35	50	65	80	85	105
8	17,000	18,000	30	45	60	70	80	95
9	18,000	19,000	25	35	50	60	70	80
10	19,000	20,000	20	30	40	50	60	65
11	20,000	21,000	15	25	30	40	50	55
12	21,000	22,000	10	20	25	35	40	45.

E. ~~If a taxpayer's modified gross income is zero, the taxpayer may claim a credit in the amount shown in the first row of the table appropriate for the taxpayer's number of exemptions.]~~

C. The tax rebate provided in this section may be claimed in an amount determined by the percentage of federal poverty guidelines of a taxpayer's household income, as follows:

<u>Percentage:</u>	<u>Family size:</u>							
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
up to 110%	\$157	\$211	\$266	\$321	\$375	\$430	\$485	\$540
110% up to 120%	69	96	117	141	165	189	213	237
120% up to 130%	56	76	96	115	135	155	175	194

1	130% up to 140%	41	55	69	83	98	112	126	140
2	140% up to 150%	22	30	37	45	53	60	68	76.

3 ~~[F.]~~ D. The tax rebates provided for in this
4 section may be deducted from the taxpayer's New Mexico income
5 tax liability for the taxable year. If the tax rebates exceed
6 the taxpayer's income tax liability, the excess shall be
7 refunded to the taxpayer.

8 ~~[G. For purposes of this section, "dependent" means~~
9 ~~"dependent" as defined by Section 152 of the Internal Revenue~~
10 ~~Code of 1986, as that section may be amended or renumbered, but~~
11 ~~also includes any minor child or stepchild of the resident who~~
12 ~~would be a dependent for federal income tax purposes if the~~
13 ~~public assistance contributing to the support of the child or~~
14 ~~stepchild was considered to have been contributed by the~~
15 ~~resident.]~~

16 E. As used in this section, "federal poverty
17 guidelines" means the level of income defining poverty by
18 family size published annually in the federal register by the
19 United States department of health and human services."

20 SECTION 2. Section 7-9-92 NMSA 1978 (being Laws 2004,
21 Chapter 116, Section 5) is amended to read:

22 "7-9-92. DEDUCTION--GROSS RECEIPTS--SALE OF FOOD AT
23 RETAIL FOOD STORE TO BENEFICIARIES OF THE FEDERAL SUPPLEMENTAL
24 NUTRITION ASSISTANCE PROGRAM.--

25 A. Receipts from the sale of food at a retail food

store ~~[that]~~ may be deducted from gross receipts if:

(1) the sale is made to a person who is a cardholder of an electronic benefit transfer card and who is eligible to receive benefits under the federal supplemental nutrition assistance program in the month that the sale is made; and

(2) the receipts are not exempt ~~[from gross receipts taxation and are not]~~ or deductible pursuant to another provision of the Gross Receipts and Compensating Tax Act ~~[may be deducted from gross receipts]~~.

B. The deduction provided by this section shall be separately stated by the taxpayer.

~~[B.]~~ C. For the purposes of this section:

(1) "electronic benefit transfer card" means a plastic card or any other access device issued by the human services department to a cardholder that enables the cardholder to have access to and process transactions against one or more public assistance benefit accounts or other benefit accounts;

~~[1-]~~ (2) "food" means any food or food product for home consumption that meets the definition of food in 7 USCA ~~[2012(g)(1)]~~ 2012(k)(1) for purposes of the federal ~~[food stamp]~~ supplemental nutrition assistance program; and

~~[2-]~~ (3) "retail food store" means an establishment that sells food for home preparation and consumption and that meets the definition of retail food store

1 in 7 USCA [~~2012(k)(1)~~] 2012(p)(1) for purposes of the federal
2 [~~food-stamp~~] supplemental nutrition assistance program, whether
3 or not the establishment participates in the [~~food-stamp~~]
4 supplemental nutrition assistance program."

5 SECTION 3. APPLICABILITY.--The provisions of this act
6 apply to taxable years beginning on or after July 1, 2018.

7 SECTION 4. EFFECTIVE DATE.--The effective date of the
8 provisions of Section 2 of this act is July 1, 2018.

9 - 7 -
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25