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SENATE BILL 284

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY
Linda M. Lopez

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO INCREASE
THE AMOUNT OF THE LOW-INCOME COMPREHENSIVE TAX REBATE FOR
CERTAIN FAMILIES AND TO PROVIDE AN ADDITIONAL TAX CREDIT TO
FAMILIES WITH CHILDREN SIX YEARS OF AGE AND YOUNGER.

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 EARLY CHILDHOOD ADVANTAGE CREDIT.--

A. A resident who files an individual New Mexico
income tax return, who is not a dependent of another taxpayer
and who is eligible for a low-income comprehensive tax rebate
may claim a credit of two hundred twenty-five dollars (\$225)
for each dependent of the resident who is six years of age or
younger on the first day of the taxable year, not to exceed a
total credit of six hundred seventy-five dollars (\$675). The

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1 credit provided in this section shall be known as the "early
2 childhood advantage tax credit".

3 B. A husband and wife who file separate returns
4 for a taxable year in which they could have filed a joint
5 return may each claim only one-half of the early childhood
6 advantage tax credit that would have been allowed on a joint
7 return.

8 C. No claim for the tax credit 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
11 taxable year for which the tax credit could be claimed or who
12 was not physically present in New Mexico for at least six
13 months during the taxable year for which the tax credit could
14 be claimed.

15 D. The tax credit provided by this section may be
16 deducted from the taxpayer's New Mexico income tax liability
17 for the taxable year. If the tax credit exceeds the
18 taxpayer's income tax liability, the excess shall be refunded
19 to the taxpayer.

20 E. As used in this section: "dependent" means
21 "dependent" as defined in Section 152 of the Internal Revenue
22 Code, but also includes any minor child or stepchild of the
23 resident who would be a dependent for federal income tax
24 purposes if the public assistance contributing to the support
25 of the child or stepchild was considered to have been
contributed by the resident."

Section 2. Section 7-2-14 NMSA 1978 (being Laws 1972,

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1 Chapter 20, Section 2, as amended) is amended to read:

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

3 A. Except as otherwise provided in Subsection B of
4 this section, any resident who files an individual New Mexico
5 income tax return and who is not a dependent of another
6 individual may claim a tax rebate for a portion of state and
7 local taxes to which the resident has been subject during the
8 taxable year for which the return is filed. The tax rebate
9 may be claimed even though the resident has no income taxable
10 under the Income Tax Act. A husband and wife who file
11 separate returns for a taxable year in which they could have
12 filed a joint return may each claim only one-half of the tax
13 rebate that would have been allowed on a joint return.

14 B. No claim for the tax rebate provided in this
15 section shall be filed by a resident who was an inmate of a
16 public institution for more than six months during the
17 taxable year for which the tax rebate could be claimed or who
18 was not physically present in New Mexico for at least six
19 months during the taxable year for which the tax rebate could
20 be claimed.

21 C. For the purposes of this section, the total
22 number of exemptions for which a tax rebate may be claimed or
23 allowed is determined by:

24 (1) adding the number of federal exemptions
25 allowable for federal income tax purposes for each individual
included in the return who is domiciled in New Mexico plus:

(a) two additional exemptions for each

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1 individual domiciled in New Mexico included in the return who
2 is sixty-five years of age or older; ~~[plus]~~

3 (b) one additional exemption for each
4 individual domiciled in New Mexico included in the return
5 who, for federal income tax purposes, is blind; ~~[plus one~~
6 ~~exemption]~~

7 (c) two additional exemptions for each
8 minor child or stepchild of the resident; and

9 (d) three exemptions for each minor
10 child or stepchild of the resident who would be a dependent
11 for federal income tax purposes if the public assistance
12 contributing to the support of the child or stepchild was
13 considered to have been contributed by the resident; and

14 (2) subtracting from the number determined
15 in Paragraph (1) of this subsection the number of exemptions
16 for each individual included in the return who was an inmate
17 of a public institution for more than six months during the
18 taxable year, plus, if included in the calculation set forth
19 in Paragraph (1) of this subsection, two exemptions for each
20 such individual who was aged sixty-five years or older.

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

23	Modified gross		And the total number					
24	income is:		of exemptions is:					
25		But Not						6 or
	Over	Over	1	2	3	4	5	More
	[\$ 0	\$ 500	\$ 120	\$ 160	\$ 200	\$ 240	\$ 280	\$ 320

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1	500	1,000	135	195	250	310	350	415
2	1,000	1,500	135	195	250	310	350	435
3	1,500	2,000	135	195	250	310	350	450
4	2,000	2,500	135	195	250	310	350	450
5	2,500	3,000	135	195	250	310	350	450
6	3,000	3,500	135	195	250	310	350	450
7	3,500	4,000	135	195	250	310	355	450
8	4,000	4,500	135	195	250	310	355	450
9	4,500	5,000	125	190	240	305	355	450
10	5,000	5,500	115	175	230	295	355	430
11	5,500	6,000	105	155	210	260	315	410
12	6,000	7,000	90	130	170	220	275	370
13	7,000	8,000	80	115	145	180	225	295
14	8,000	9,000	70	105	135	170	195	240
15	9,000	10,000	65	95	115	145	175	205
16	10,000	11,000	60	80	100	130	155	185
17	11,000	12,000	55	70	90	110	135	160
18	12,000	13,000	50	65	85	100	115	140
19	13,000	14,000	50	65	85	100	115	140
20	14,000	15,000	45	60	75	90	105	120
21	15,000	16,000	40	55	70	85	95	110
22	16,000	17,000	35	50	65	80	85	105
23	17,000	18,000	30	45	60	70	80	95
24	18,000	19,000	25	35	50	60	70	80
25	19,000	20,000	20	30	40	50	60	65
	20,000	21,000	15	25	30	40	50	55
	21,000	22,000	10	20	25	35	40	45]

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	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 120</u>	<u>\$ 160</u>	<u>\$ 200</u>	<u>\$ 240</u>	<u>\$ 280</u>	<u>\$ 320</u>
1								
2	<u>500</u>	<u>1,000</u>	<u>135</u>	<u>195</u>	<u>250</u>	<u>310</u>	<u>350</u>	<u>415</u>
3	<u>1,000</u>	<u>1,500</u>	<u>135</u>	<u>195</u>	<u>250</u>	<u>310</u>	<u>350</u>	<u>435</u>
4	<u>1,500</u>	<u>3,500</u>	<u>135</u>	<u>195</u>	<u>250</u>	<u>310</u>	<u>350</u>	<u>450</u>
5	<u>3,500</u>	<u>4,500</u>	<u>135</u>	<u>234</u>	<u>300</u>	<u>372</u>	<u>426</u>	<u>540</u>
6	<u>4,500</u>	<u>5,000</u>	<u>125</u>	<u>228</u>	<u>288</u>	<u>366</u>	<u>426</u>	<u>540</u>
7	<u>5,000</u>	<u>5,500</u>	<u>115</u>	<u>210</u>	<u>276</u>	<u>354</u>	<u>426</u>	<u>516</u>
8	<u>5,500</u>	<u>6,000</u>	<u>105</u>	<u>186</u>	<u>252</u>	<u>312</u>	<u>378</u>	<u>492</u>
9	<u>6,000</u>	<u>7,000</u>	<u>90</u>	<u>156</u>	<u>204</u>	<u>264</u>	<u>330</u>	<u>444</u>
10	<u>7,000</u>	<u>8,000</u>	<u>80</u>	<u>138</u>	<u>174</u>	<u>216</u>	<u>270</u>	<u>354</u>
11	<u>8,000</u>	<u>9,000</u>	<u>70</u>	<u>126</u>	<u>162</u>	<u>204</u>	<u>234</u>	<u>288</u>
12	<u>9,000</u>	<u>10,000</u>	<u>65</u>	<u>114</u>	<u>138</u>	<u>174</u>	<u>210</u>	<u>246</u>
13	<u>10,000</u>	<u>11,000</u>	<u>60</u>	<u>96</u>	<u>120</u>	<u>156</u>	<u>186</u>	<u>222</u>
14	<u>11,000</u>	<u>12,000</u>	<u>55</u>	<u>84</u>	<u>108</u>	<u>132</u>	<u>162</u>	<u>192</u>
15	<u>12,000</u>	<u>14,000</u>	<u>50</u>	<u>78</u>	<u>102</u>	<u>120</u>	<u>138</u>	<u>168</u>
16	<u>14,000</u>	<u>15,000</u>	<u>45</u>	<u>72</u>	<u>90</u>	<u>108</u>	<u>126</u>	<u>144</u>
17	<u>15,000</u>	<u>16,000</u>	<u>40</u>	<u>66</u>	<u>84</u>	<u>102</u>	<u>114</u>	<u>132</u>
18	<u>16,000</u>	<u>17,000</u>	<u>35</u>	<u>60</u>	<u>78</u>	<u>96</u>	<u>102</u>	<u>126</u>
19	<u>17,000</u>	<u>18,000</u>	<u>30</u>	<u>54</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>114</u>
20	<u>18,000</u>	<u>19,000</u>	<u>25</u>	<u>42</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>
21	<u>19,000</u>	<u>20,000</u>	<u>20</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>78</u>
22	<u>20,000</u>	<u>21,000</u>	<u>15</u>	<u>30</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>66</u>
23	<u>21,000</u>	<u>22,000</u>	<u>10</u>	<u>24</u>	<u>30</u>	<u>42</u>	<u>48</u>	<u>54</u>
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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.

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F. The tax rebates provided for in this section may be deducted from the taxpayer's New Mexico income tax liability for the taxable year. If the tax rebates exceed the taxpayer's income tax liability, the excess shall be refunded to the taxpayer.

G. For purposes of this section, "dependent" means "dependent" as defined by Section 152 of the Internal Revenue Code [~~of 1986~~], as that section may be amended or renumbered, but also includes any minor child or stepchild of the resident who 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."

Section 3. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2000.