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HOUSE BILL 166

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Robert M Burpo

AN ACT

RELATING TO TAXATION; REDUCING PERSONAL INCOME TAX RATES.

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

Section 1. Section 7-2-7 NMSA 1978 (being Laws 1994, Chapter 5, Section 20, as amended) 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, [1998] 2002:

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 excess over \$ 4,000
Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of excess over \$ 8,000

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1	Over \$ 12,000 but not over \$ 20,000	\$ 384 plus 6.0% of excess
2		over \$ 12,000
3	Over \$ 20,000 but not over \$ 32,000	\$ 864 plus 7.1% of excess
4		over \$ 20,000
5	Over \$ 32,000 but not over \$ 50,000	\$ 1,716 plus 7.9% of
6		excess over \$ 32,000
7	Over \$ 50,000	\$ 3,138 plus 8.2% of
8		excess over \$ 50,000.]
9	<u>Not over \$4,000</u>	<u>1.65% of taxable income</u>
10	<u>Over \$ 4,000 but not over \$ 8,000</u>	<u>\$ 66.00 plus 3.1% of</u>
11		<u>excess over \$ 4,000</u>
12	<u>Over \$ 8,000 but not over \$ 12,000</u>	<u>\$ 190 plus 4.6% of</u>
13		<u>excess over \$ 8,000</u>
14	<u>Over \$ 12,000 but not over \$ 20,000</u>	<u>\$ 374 plus 5.8% of</u>
15		<u>excess over \$ 12,000</u>
16	<u>Over \$ 20,000 but not over \$ 32,000</u>	<u>\$ 838 plus 6.9% of</u>
17		<u>excess over \$ 20,000</u>
18	<u>Over \$ 32,000 but not over \$ 50,000</u>	<u>\$ 1,666 plus 7.7% of</u>
19		<u>excess over \$ 32,000</u>
20	<u>Over \$ 50,000</u>	<u>\$ 3,052 plus 7.9% of</u>
21		<u>excess over \$ 50,000.</u>

22 B. For surviving spouses and married individuals
23 filing joint returns:

24	If the taxable income is:	The tax shall be:
25	[Not over \$8,000	1.7% of taxable income

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1	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of
2		excess over \$ 8,000
3	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of
4		excess over \$ 16,000
5	Over \$ 24,000 but not over \$ 40,000	\$ 768 plus 6.0% of
6		excess over \$ 24,000
7	Over \$ 40,000 but not over \$ 64,000	\$ 1,728 plus 7.1% of
8		excess over \$ 40,000
9	Over \$ 64,000 but not over \$100,000	\$ 3,432 plus 7.9% of
10		excess over \$ 64,000
11	Over \$100,000	\$ 6,276 plus 8.2% of
12		excess over \$100,000.]
13	<u>Not over \$8,000</u>	<u>1.65% of taxable income</u>
14	<u>Over \$ 8,000 but not over \$ 16,000</u>	<u>\$ 132 plus 3.1% of</u>
15		<u>excess over \$ 8,000</u>
16	<u>Over \$ 16,000 but not over \$ 24,000</u>	<u>\$ 380 plus 4.6% of</u>
17		<u>excess over \$ 16,000</u>
18	<u>Over \$ 24,000 but not over \$ 40,000</u>	<u>\$ 748 plus 5.8% of</u>
19		<u>excess over \$ 24,000</u>
20	<u>Over \$ 40,000 but not over \$ 64,000</u>	<u>\$ 1,676 plus 6.9% of</u>
21		<u>excess over \$ 40,000</u>
22	<u>Over \$ 64,000 but not over \$100,000</u>	<u>\$ 3,332 plus 7.7% of</u>
23		<u>excess over \$ 64,000</u>
24	<u>Over \$100,000</u>	<u>\$ 6,104 plus 7.9% of</u>
25		<u>excess over \$100,000.</u>

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C. For single individuals and for estates and

trusts:

If the taxable income is: The tax shall be:

[Not over \$5,500	1.7% of taxable income
Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of
	excess over \$ 5,500
Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of
	excess over \$ 11,000
Over \$ 16,000 but not over \$ 26,000	\$ 504.50 plus 6.0% of
	excess over \$ 16,000
Over \$ 26,000 but not over \$ 42,000	\$1,104.50 plus 7.1% of
	excess over \$ 26,000
Over \$ 42,000 but not over \$ 65,000	\$2,240.50 plus 7.9% of
	excess over \$ 42,000
Over \$ 65,000	\$4,057.50 plus 8.2% of
	excess over \$ 65,000.]
<u>Not over \$5,500</u>	<u>1.65% of taxable income</u>
<u>Over \$ 5,500 but not over \$ 11,000</u>	<u>\$ 90.75 plus 3.1% of</u>
	<u>excess over \$ 5,500</u>
<u>Over \$ 11,000 but not over \$ 16,000</u>	<u>\$ 261.25 plus 4.6% of</u>
	<u>excess over \$ 11,000</u>
<u>Over \$ 16,000 but not over \$ 26,000</u>	<u>\$ 491.25 plus 5.8% of</u>
	<u>excess over \$ 16,000</u>
<u>Over \$ 26,000 but not over \$ 42,000</u>	<u>\$1,071.25 plus 6.9% of</u>
	<u>excess over \$ 26,000</u>

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1 Over \$ 42,000 but not over \$ 65,000 \$2,175.25 plus 7.7% of
2 excess over \$ 42,000
3 Over \$ 65,000 \$3,946.25 plus 7.9% of
4 excess over \$ 65,000.

5 D. For heads of household filing returns:

6 If the taxable income is: The tax shall be:

7 [~~Not over \$7,000~~ ~~1.7% of taxable income~~
8 ~~Over \$ 7,000 but not over \$ 14,000~~ ~~\$ 119 plus 3.2% of~~
9 ~~excess over \$ 7,000~~
10 ~~Over \$ 14,000 but not over \$ 20,000~~ ~~\$ 343 plus 4.7% of~~
11 ~~excess over \$ 14,000~~
12 ~~Over \$ 20,000 but not over \$ 33,000~~ ~~\$ 625 plus 6.0% of~~
13 ~~excess over \$ 20,000~~
14 ~~Over \$ 33,000 but not over \$ 53,000~~ ~~\$1,405 plus 7.1% of~~
15 ~~excess over \$ 33,000~~
16 ~~Over \$ 53,000 but not over \$ 83,000~~ ~~\$2,825 plus 7.9% of~~
17 ~~excess over \$ 53,000~~
18 ~~Over \$ 83,000~~ ~~\$5,195 plus 8.2% of~~
19 ~~excess over \$ 83,000.]~~

20 Not over \$7,000 1.65% of taxable income
21 Over \$ 7,000 but not over \$ 14,000 \$ 115.50 plus 3.1% of
22 excess over \$ 7,000
23 Over \$ 14,000 but not over \$ 20,000 \$ 332.50 plus 4.6% of
24 excess over \$ 14,000
25 Over \$ 20,000 but not over \$ 33,000 \$ 608.50 plus 5.8% of

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1		<u>excess over \$ 20,000</u>
2	<u>Over \$ 33,000 but not over \$ 53,000</u>	<u>\$1,362.50 plus 6.9% of</u>
3		<u>excess over \$ 33,000</u>
4	<u>Over \$ 53,000 but not over \$ 83,000</u>	<u>\$2,742.50 plus 7.7% of</u>
5		<u>excess over \$ 53,000</u>
6	<u>Over \$ 83,000</u>	<u>\$5,052.50 plus 7.9% of</u>
7		<u>excess over \$ 83,000.</u>

8 E. The tax on the sum of any lump-sum amounts
9 included in net income is an amount equal to five multiplied
10 by the difference between:

- 11 (1) the amount of tax due on the taxpayer's
- 12 taxable income; and
- 13 (2) the amount of tax that would be due on an
- 14 amount equal to the taxpayer's taxable income and twenty
- 15 percent of the taxpayer's lump-sum amounts included in net
- 16 income. "

17 Section 2. APPLICABILITY. --The provisions of this act
18 apply to taxable years beginning on or after January 1, 2002.