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SENATE BILL 441

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Manny M. Aragon

AN ACT

RELATING TO TAXATION; DECOUPLING THE ESTATE TAX ACT FROM
FEDERAL ESTATE TAX CHANGES.

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

Section 1. Section 7-7-2 NMSA 1978 (being Laws 1973,
Chapter 345, Section 2, as amended) is amended to read:

"7-7-2. DEFINITIONS.--As used in the Estate Tax Act:

A. "department" means the taxation and revenue
department, the secretary of taxation and revenue or any
employee of the department exercising authority lawfully
delegated to that employee by the secretary;

B. "certificate" means a certificate of no tax due
or a receipt for payment of the tax due under the Estate Tax
Act;

C. "decendent" means a deceased individual;

underscored material = new
[bracketed material] = delete

1 D. "federal credit" means the maximum amount of the
2 credit for estate death taxes allowed for the decedent's net
3 estate by Section 2011 [~~for the decedent's net estate~~] in
4 effect on December 31, 2000 disregarding:

5 (1) the reduction of the maximum credit in
6 Section 2011(b)(2);

7 (2) the period of limitations in Section
8 2011(c); and

9 (3) the termination provision contained in
10 Section 2011(f);

11 E. "gross estate" means "gross estate" as defined
12 and used in Section 2031 of the United States Internal Revenue
13 Code of 1986, as amended or renumbered;

14 F. "net estate" means "taxable estate" as defined
15 in Section 2051 of the United States Internal Revenue Code of
16 1986 [~~as amended or renumbered~~] in effect as of the date of the
17 decedent's death, except that the state death tax deduction
18 contained in Section 2058 is to be disregarded;

19 G. "nonresident" means a decedent who was domiciled
20 outside New Mexico at his death;

21 H. "person" means any individual, estate, trust,
22 receiver, cooperative association, club, corporation, company,
23 firm, partnership, joint venture, syndicate or other entity
24 and, to the extent permitted by law, any federal, state or
25 other governmental unit or subdivision or agency, department or

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1 instrumentality thereof;

2 I. "personal representative" means the executor or
3 administrator of a decedent or, if no executor or administrator
4 is appointed, qualified and acting, any person who has
5 possession of any property;

6 J. "property" means property included in the gross
7 estate;

8 K. "resident" means a decedent who was domiciled in
9 New Mexico at his death;

10 L. "Section 2011" means Section 2011 of the United
11 States Internal Revenue Code of 1986 [~~as amended or renumbered~~]
12 as of December 31, 2000; and

13 M. "transfer" means "transfer" as defined and used
14 in Section 2001 of the United States Internal Revenue Code of
15 1986, as amended or renumbered."

16 Section 2. APPLICABILITY.--The provisions of this act
17 apply to taxable years beginning on or after January 1, 2004.