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HOUSE BILL 637

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Thomas A. Anderson

AN ACT

RELATING TO TAXATION; SUSPENDING THE IMPOSITION OF THE INCOME
TAX FOR FIVE YEARS; DECLARING AN EMERGENCY.

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

Section 1. REPEAL.--Section 7-2-3 NMSA 1978 (being Laws
1965, Chapter 202, Section 3, as amended) is repealed.

Section 2. A new section of the Income Tax Act is enacted
to read:

"[NEW MATERIAL] IMPOSITION AND LEVY OF TAX.--A tax is
imposed at the rates specified in the Income Tax Act upon the
net income of every resident individual and upon the net income
of every nonresident individual employed or engaged in the
transaction of business in, into or from this state or deriving
any income from any property or employment within this state."

Section 3. TEMPORARY PROVISION--REFUND OF AMOUNTS

.160214.1

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 WITHHELD.--Any person that has deducted and withheld amounts
2 pursuant to the requirements of the Withholding Tax Act with
3 respect to income upon which, pursuant to the provisions of
4 Section 1 of this act, New Mexico income tax will not be
5 imposed, shall refund those amounts to the employee, owner or
6 other person from whom those amounts were deducted and
7 withheld. If those amounts have been remitted to the
8 department, the department shall refund those amounts to the
9 employee, owner or other person from whom those amounts were
10 deducted and withheld.

11 Section 4. APPLICABILITY.--

12 A. The provisions of Sections 1 and 3 of this act
13 apply to taxable years beginning on or after January 1, 2006.

14 B. The provisions of Section 2 of this act apply to
15 taxable years beginning on or after January 1, 2011.

16 Section 5. EFFECTIVE DATE.--The effective date of the
17 provisions of Section 2 of this act is July 1, 2011.

18 Section 6. EMERGENCY.--It is necessary for the public
19 peace, health and safety that this act take effect immediately.