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SENATE BILL 760

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Shannon Robinson

AN ACT

RELATING TO TAXATION; AMENDING SECTION 7-2-14 NMSA 1978 (BEING LAWS 1972, CHAPTER 20, SECTION 2, AS AMENDED) TO PROVIDE FOR A PORTION OF A TAX REBATE TO BE APPLIED TO MOTOR VEHICLE INSURANCE.

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 local taxes to which the resident has been subject during the taxable year for which the return is filed. The tax rebate may .165678.2

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1 be claimed even though the resident has no income taxable under
2 the Income Tax Act. A husband and wife who file separate
3 returns for a taxable year in which they could have filed a
4 joint return may each claim only one-half of the tax rebate
5 that would have been allowed on a joint return.

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

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

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1 resident.

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

4	Modified gross	And the total number						
5	income is:	of exemptions is:						
6	But Not						6 or	
7	Over	Over	1	2	3	4	5	More
8	\$ 0	\$ 500	\$ 120	\$ 160	\$ 200	\$ 240	\$ 280	\$ 320
9	500	1,000	135	195	250	310	350	415
10	1,000	1,500	135	195	250	310	350	435
11	1,500	2,000	135	195	250	310	350	450
12	2,000	2,500	135	195	250	310	350	450
13	2,500	3,000	135	195	250	310	350	450
14	3,000	3,500	135	195	250	310	350	450
15	3,500	4,000	135	195	250	310	355	450
16	4,000	4,500	135	195	250	310	355	450
17	4,500	5,000	125	190	240	305	355	450
18	5,000	5,500	115	175	230	295	355	430
19	5,500	6,000	105	155	210	260	315	410
20	6,000	7,000	90	130	170	220	275	370
21	7,000	8,000	80	115	145	180	225	295
22	8,000	9,000	70	105	135	170	195	240
23	9,000	10,000	65	95	115	145	175	205
24	10,000	11,000	60	80	100	130	155	185
25	11,000	12,000	55	70	90	110	135	160

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

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

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

20 G. For purposes of this section, "dependent" means
21 "dependent" as defined by Section 152 of the Internal Revenue
22 Code of 1986, as that section may be amended or renumbered, but
23 also includes any minor child or stepchild of the resident who
24 would be a dependent for federal income tax purposes if the
25 public assistance contributing to the support of the child or

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1 stepchild was considered to have been contributed by the
2 resident.

3 H. A resident who qualifies for a tax rebate
4 pursuant to this section may apply for a portion of the rebate
5 to be applied to the cost of basic motor vehicle insurance up
6 to fifty percent of the premium cost. The department shall
7 adopt rules for the administration of this application of the
8 rebate, including for proof of insurance and direct payment
9 from the rebate to the insurer."