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HOUSE BILL 460

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Janice E. Arnold-Jones

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM NET INCOME FOR
A TAXPAYER'S NET CAPITAL GAIN INCOME.

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

Section 1. Section 7-2-34 NMSA 1978 (being Laws 1999,
Chapter 205, Section 1, as amended) is amended to read:

"7-2-34. DEDUCTION--NET CAPITAL GAIN INCOME.--

A. Except as provided in Subsection C of this
section, a taxpayer may claim a deduction from net income in an
amount equal to ~~[the greater of:~~

~~(1)] the taxpayer's net capital gain income for
the taxable year for which the deduction is being claimed [but
not to exceed one thousand dollars (\$1,000); or~~

~~(2) the following percentage of the taxpayer's
net capital gain income for the taxable year for which the~~

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underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 ~~deduction is being claimed:~~

2 ~~(a) for a taxable year beginning in~~
3 ~~2003, ten percent;~~

4 ~~(b) for a taxable year beginning in~~
5 ~~2004, twenty percent;~~

6 ~~(c) for a taxable year beginning in~~
7 ~~2005, thirty percent;~~

8 ~~(d) for a taxable year beginning in~~
9 ~~2006, forty percent; and~~

10 ~~(e) for taxable years beginning on or~~
11 ~~after January 1, 2007, fifty percent].~~

12 B. A husband and wife who file separate returns for
13 a taxable year in which they could have filed a joint return
14 may each claim only one-half of the deduction provided by this
15 section that would have been allowed on the joint return.

16 C. A taxpayer may not claim the deduction provided
17 in Subsection A of this section if the taxpayer has claimed the
18 credit provided in Section 7-2D-8.1 NMSA 1978.

19 D. As used in this section, "net capital gain"
20 means "net capital gain" as defined in Section 1222 (11) of the
21 Internal Revenue Code."

22 Section 2. APPLICABILITY.--The provisions of this act
23 apply to taxable years beginning on or after January 1, 2010.

24 Section 3. EFFECTIVE DATE.--The effective date of the
25 provisions of this act is January 1, 2010.

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