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HOUSE BILL 8

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

INTRODUCED BY

Ray Begaye

AN ACT

RELATING TO REVENUE; AMENDING THE INCOME TAX ACT; CREATING A
TAX BRACKET FOR CERTAIN TAXPAYERS WITH HIGHER TAXABLE INCOME.

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

Section 1. Section 7-2-7 NMSA 1978 (being Laws 2005,
Chapter 104, Section 4) 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, [~~2008~~] 2009:

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

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1 Over \$ 8,000 but not over \$ 12,000 \$ 196 plus 4.7% of
2 excess over \$ 8,000
3 Over \$ 12,000 but not over \$100,000 \$ 384 plus 4.9% of
4 excess over \$ 12,000
5 Over \$100,000 \$ 4,696 plus 6.0% of
6 excess over \$100,000.

7 B. For heads of household, surviving spouses and
8 married individuals filing joint returns:

9 If the taxable income is: The tax shall be:
10 Not over \$8,000 1.7% of taxable income
11 Over \$ 8,000 but not over \$ 16,000 \$ 136 plus 3.2% of
12 excess over \$ 8,000
13 Over \$ 16,000 but not over \$ 24,000 \$ 392 plus 4.7% of
14 excess over \$ 16,000
15 Over \$ 24,000 but not over \$200,000 \$ 768 plus 4.9% of
16 excess over \$ 24,000
17 Over \$200,000 \$ 9,392 plus 6.0% of
18 excess over \$200,000.

19 C. For single individuals and for estates and
20 trusts:

21 If the taxable income is: The tax shall be:
22 Not over \$5,500 1.7% of taxable income
23 Over \$ 5,500 but not over \$ 11,000 \$ 93.50 plus 3.2% of
24 excess over \$ 5,500
25 Over \$ 11,000 but not over \$ 16,000 \$ 269.50 plus 4.7% of

.179557.2

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1 excess over \$ 11,000
2 Over \$ 16,000 but not over \$133,000 \$ 504.50 plus 4.9% of
3 excess over \$ 16,000
4 Over \$133,000 \$ 6,237.50 plus 6.0% of
5 excess over \$133,000.

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

9 (1) the amount of tax due on the taxpayer's
10 taxable income; and

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

15 Section 2. TEMPORARY PROVISION.--For taxable year 2009, a
16 taxpayer is deemed to have complied with the provisions of
17 Section 7-2-12.2 NMSA 1978 if the taxpayer has made the
18 required annual payments of estimated taxes due for taxable
19 year 2009 based on the provisions of the version of Section
20 7-2-7 NMSA 1978 applicable on January 1, 2008 through December
21 31, 2009.

22 Section 3. APPLICABILITY.--The provisions of this act
23 apply to taxable years beginning on or after January 1, 2009.