

1 SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE SUBSTITUTE FOR  
2 SENATE BILL 129

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4 **50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**  
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9  
10 AN ACT

11 RELATING TO TAXATION; CREATING AN EXEMPTION FOR ARMED FORCES  
12 RETIREES FROM THE INCOME TAX ACT.  
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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. A new section of the Income Tax Act is enacted  
16 to read:

17 "[NEW MATERIAL] EXEMPTION--ARMED FORCES RETIREE.--

18 A. An armed forces retiree or an armed forces  
19 retiree's surviving spouse may claim an exemption from state  
20 income tax in an amount equal to the following percentages of  
21 the armed forces retiree's or the armed forces retiree's  
22 surviving spouse's military retirement or retainer pay:

23 (1) beginning January 1, 2013, twenty-five  
24 percent;

25 (2) beginning January 1, 2014, fifty percent;

.189074.3

underscored material = new  
[bracketed material] = delete

1 (3) beginning January 1, 2015, seventy-five  
2 percent; and

3 (4) beginning January 1, 2016, one hundred  
4 percent.

5 B. As used in this section, "armed forces retiree"  
6 means a former member of the armed services of the United  
7 States who has qualified by years of service or disability to  
8 separate from military service with lifetime benefits."

9 SECTION 2. APPLICABILITY.--The provisions of this act  
10 apply to taxable years beginning on or after January 1, 2013.

11 SECTION 3. EFFECTIVE DATE.--The effective date of the  
12 provisions of this act is January 1, 2013.