

1 HOUSE BILL 311

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Angelica Rubio

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10 AN ACT

11 RELATING TO TAXATION; INCREASING THE WORKING FAMILIES TAX
12 CREDIT; LIMITING THE CAPITAL GAINS DEDUCTION FROM NET INCOME.

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

15 SECTION 1. Section 7-2-18.15 NMSA 1978 (being Laws 2007,
16 Chapter 45, Section 9, as amended) is amended to read:

17 "7-2-18.15. WORKING FAMILIES TAX CREDIT.--

18 A. A resident who files an individual New Mexico
19 income tax return may claim a credit in an amount equal to
20 [~~ten~~] twenty percent of the federal income tax credit for which
21 that individual is eligible for the same taxable year pursuant
22 to Section 32 of the Internal Revenue Code. The credit
23 provided in this section may be referred to as the "working
24 families tax credit".

25 B. The working families tax credit may be deducted

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1 from the income tax liability of an individual who claims the
2 credit and qualifies for the credit pursuant to this section.
3 If the credit exceeds the individual's income tax liability for
4 the taxable year, the excess shall be refunded to the
5 individual."

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

8 "7-2-34. DEDUCTION--NET CAPITAL GAIN INCOME.--

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

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

15 ~~(2) the following percentage of the taxpayer's~~
16 ~~net capital gain income for the taxable year for which the~~
17 ~~deduction is being claimed:~~

18 ~~(a) for a taxable year beginning in~~
19 ~~2003, ten percent;~~

20 ~~(b) for a taxable year beginning in~~
21 ~~2004, twenty percent;~~

22 ~~(c) for a taxable year beginning in~~
23 ~~2005, thirty percent;~~

24 ~~(d) for a taxable year beginning in~~
25 ~~2006, forty percent; and~~

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

3 B. ~~[A husband and wife]~~ Married individuals who
4 file separate returns for a taxable year in which they could
5 have filed a joint return may each claim only one-half of the
6 deduction provided by this section that would have been allowed
7 on the joint return.

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

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

14 **SECTION 3. APPLICABILITY.--**

15 A. The provisions of Section 1 of this act apply to
16 taxable years beginning on or after January 1, 2017.

17 B. The provisions of Section 2 of this act apply to
18 taxable years beginning on or after January 1, 2018.