

SENATE PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
SENATE BILL 302

**53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
CREATING NEW INCOME TAX BRACKETS; REPEALING AN OUTDATED VERSION  
OF SECTION 7-2-7 NMSA 1978 (BEING LAWS 2005 (1ST S.S.), CHAPTER  
3, SECTION 2).

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]~~ 2019:

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

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1		excess over \$4,000
2	Over \$8,000 but not over \$12,000	\$196 plus 4.7% of
3		excess over \$8,000
4	Over \$12,000 <u>but not over \$90,000</u>	\$384 plus 4.9% of
5		excess over \$12,000
6	<u>Over \$90,000 but not over \$180,000</u>	<u>\$4,206 plus 6.9% of</u>
7		<u>excess over \$90,000</u>
8	<u>Over \$180,000</u>	<u>\$10,416 plus 7.9% of</u>
9		<u>excess over \$180,000.</u>

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

12	If the taxable income is:	The tax shall be:
13	Not over \$8,000	1.7% of taxable income
14	Over \$8,000 but not over \$16,000	\$136 plus 3.2% of
15		excess over \$8,000
16	Over \$16,000 but not over \$24,000	\$392 plus 4.7% of
17		excess over \$16,000
18	Over \$24,000 <u>but not over \$180,000</u>	\$768 plus 4.9% of
19		excess over \$24,000
20	<u>Over \$180,000 but not over \$360,000</u>	<u>\$8,412 plus 6.9% of</u>
21		<u>excess over \$180,000</u>
22	<u>Over \$360,000</u>	<u>\$20,832 plus 7.9% of</u>
23		<u>excess over \$360,000.</u>

24 C. For single individuals and for estates and  
25 trusts:

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1	If the taxable income is:	The tax shall be:
2	Not over \$5,500	1.7% of taxable income
3	Over \$5,500 but not over \$11,000	\$93.50 plus 3.2% of
4		excess over \$5,500
5	Over \$11,000 but not over \$16,000	\$269.50 plus 4.7% of
6		excess over \$11,000
7	Over \$16,000 <u>but not over \$120,000</u>	\$504.50 plus 4.9% of
8		excess over \$16,000
9	<u>Over \$120,000 but not over \$240,000</u>	<u>\$5,600.50 plus 6.9% of</u>
10		<u>excess over \$120,000</u>
11	<u>Over \$240,000</u>	<u>\$13,880.50 plus 7.9% of</u>
12		<u>excess over \$240,000.</u>

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

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

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

22           **SECTION 2. REPEAL.**--That version of Section 7-2-7 NMSA  
23 1978 (being Laws 2005 (1st S.S.), Chapter 3, Section 2) is  
24 repealed.

25           **SECTION 3. EFFECTIVE DATE.**--The effective date of the

1 provisions of this act is January 1, 2019.

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