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HOUSE BILL 335

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Daymon Ely

AN ACT

RELATING TO TAXATION; CREATING A NEW TOP INCOME TAX BRACKET;
REPEALING AN OUTDATED VERSION OF SECTION 7-2-7 NMSA 1978 (BEING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] 2020:

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

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 ~~Over \$8,000 but not over \$12,000~~ ~~—————~~ ~~\$196 plus 4.7% of~~
2 ~~excess over \$8,000~~
3 ~~Over \$12,000~~ ~~—————~~ ~~\$384 plus 4.9% of~~
4 ~~excess over \$12,000.~~
5 ~~B. For heads of household, surviving spouses and~~
6 ~~married individuals filing joint returns:~~
7 ~~If the taxable income is: ————— The tax shall be:~~
8 ~~Not over \$8,000~~ ~~—————~~ ~~1.7% of taxable income~~
9 ~~Over \$8,000 but not over \$16,000~~ ~~—————~~ ~~\$136 plus 3.2% of~~
10 ~~excess over \$8,000~~
11 ~~Over \$16,000 but not over \$24,000~~ ~~—————~~ ~~\$392 plus 4.7% of~~
12 ~~excess over \$16,000~~
13 ~~Over \$24,000~~ ~~—————~~ ~~\$768 plus 4.9% of~~
14 ~~excess over \$24,000.~~
15 ~~C. For single individuals and for estates and~~
16 ~~trusts:~~
17 ~~If the taxable income is: ————— The tax shall be:~~
18 ~~Not over \$5,500~~ ~~—————~~ ~~1.7% of taxable income~~
19 ~~Over \$5,500 but not over \$11,000~~ ~~—————~~ ~~\$93.50 plus 3.2% of~~
20 ~~excess over \$5,500~~
21 ~~Over \$11,000 but not over \$16,000~~ ~~—————~~ ~~\$269.50 plus 4.7% of~~
22 ~~excess over \$11,000~~
23 ~~Over \$16,000~~ ~~—————~~ ~~\$504.50 plus 4.9% of~~
24 ~~excess over \$16,000.]~~
25 Not over \$4,000 ————— 1.7% of taxable income

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underscored material = new
[bracketed material] = delete

1	<u>Over \$4,000 but not over \$8,000</u>	<u>\$68.00 plus 3.2% of</u>
2		<u>excess over \$4,000</u>
3	<u>Over \$8,000 but not over \$12,000</u>	<u>\$196 plus 4.7% of</u>
4		<u>excess over \$8,000</u>
5	<u>Over \$12,000 but not over \$157,500</u>	<u>\$384 plus 4.9% of</u>
6		<u>excess over \$12,000</u>
7	<u>Over \$157,500</u>	<u>\$7,513.50 plus 5.9% of</u>
8		<u>excess over \$157,500.</u>

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

11	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
12	<u>Not over \$8,000</u>	<u>1.7% of taxable income</u>
13	<u>Over \$8,000 but not over \$16,000</u>	<u>\$136 plus 3.2% of</u>
14		<u>excess over \$8,000</u>
15	<u>Over \$16,000 but not over \$24,000</u>	<u>\$392 plus 4.7% of</u>
16		<u>excess over \$16,000</u>
17	<u>Over \$24,000 but not over \$315,000</u>	<u>\$768 plus 4.9% of</u>
18		<u>excess over \$24,000</u>
19	<u>Over \$315,000</u>	<u>\$15,027 plus 5.9% of</u>
20		<u>excess over \$315,000.</u>

21 C. For single individuals and for estates and
22 trusts:

23	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
24	<u>Not over \$5,500</u>	<u>1.7% of taxable income</u>
25	<u>Over \$5,500 but not over \$11,000</u>	<u>\$93.50 plus 3.2% of</u>

.211959.1

underscored material = new
[bracketed material] = delete

1		<u>excess over \$5,500</u>
2	<u>Over \$11,000 but not over \$16,000</u>	<u>\$269.50 plus 4.7% of</u>
3		<u>excess over \$11,000</u>
4	<u>Over \$16,000 but not over \$210,000</u>	<u>\$504.50 plus 4.9% of</u>
5		<u>excess over \$16,000</u>
6	<u>Over \$210,000</u>	<u>\$10,010.50 plus 5.9% of</u>
7		<u>excess over \$210,000.</u>

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

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

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

17 **SECTION 2. REPEAL.**--That version of Section 7-2-7 NMSA
18 1978 (being Laws 2005 (1st S.S.), Chapter 3, Section 2) is
19 repealed.

20 **SECTION 3. EFFECTIVE DATE.**--The effective date of the
21 provisions of Section 1 of this act is January 1, 2020.