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SENATE BILL 116

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

INTRODUCED BY

Pat Woods

AN ACT

RELATING TO TAXATION; ALLOWING A COUNTY TO DETERMINE IF A PUBLIC HEARING SHOULD BE CONDUCTED ON WHETHER A PROPERTY TAX REBATE SHOULD BE MADE AVAILABLE THROUGH ADOPTION OF A COUNTY ORDINANCE.

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

SECTION 1. Section 7-2-14.3 NMSA 1978 (being Laws 1994, Chapter 111, Section 1, as amended) is amended to read:

"7-2-14.3. TAX REBATE OF PART OF PROPERTY TAX DUE FROM LOW-INCOME TAXPAYER--LOCAL OPTION--REFUND.--

A. The tax rebate provided by this section may be claimed for the taxable year for which the return is filed by an individual who:

(1) has ~~his~~ the principal place of residence in a county that has adopted an ordinance pursuant to

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underscored material = new
[bracketed material] = delete

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1 Subsection G of this section;

2 (2) is not a dependent of another individual;

3 (3) files a return; and

4 (4) incurred a property tax liability on [~~his~~]
5 the principal place of residence in the taxable year.

6 B. The tax rebate provided by this section shall be
7 allowed for any individual eligible to claim the refund
8 pursuant to Subsection A of this section and who:

9 (1) was not an inmate of a public institution
10 for more than six months during the taxable year;

11 (2) was physically present in New Mexico for at
12 least six months during the taxable year for which the rebate
13 is claimed; and

14 (3) is eligible for the rebate as a low-income
15 property taxpayer in accordance with the provisions of
16 Subsection D of this section.

17 C. [~~A husband and wife~~] Married individuals who
18 file separate returns for the taxable year in which they could
19 have filed a joint return may each claim only one-half of the
20 tax rebate that would have been allowed on [~~the~~] a joint
21 return.

22 D. As used in the table in this subsection,
23 "property tax liability" means the amount of property tax
24 resulting from the imposition of the county and municipal
25 property tax operating impositions on the net taxable value of

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1 the taxpayer's principal place of residence calculated for the
2 year for which the rebate is claimed. The tax rebate provided
3 in this section is as specified in the following table:

4 LOW-INCOME TAXPAYER'S PROPERTY TAX REBATE TABLE

5 Taxpayer's Modified Gross Income	Property Tax Rebate
6	But Not
7 Over	Over
8 \$ 0	\$ 8,000 75% of property tax liability
9 8,000	10,000 70% of property tax liability
10 10,000	12,000 65% of property tax liability
11 12,000	14,000 60% of property tax liability
12 14,000	16,000 55% of property tax liability
13 16,000	18,000 50% of property tax liability
14 18,000	20,000 45% of property tax liability
15 20,000	22,000 40% of property tax liability
16 22,000	24,000 35% of property tax liability.

17 E. If a taxpayer's modified gross income is zero,
18 the taxpayer may claim a tax rebate in the amount shown in the
19 first row of the table. The tax rebate provided for in this
20 section shall not exceed three hundred fifty dollars (\$350) per
21 return and, if a return is filed separately that could have
22 been filed jointly, the tax rebate shall not exceed one hundred
23 seventy-five dollars (\$175). No tax rebate shall be allowed
24 any taxpayer whose modified gross income exceeds twenty-four
25 thousand dollars (\$24,000).

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1 F. The tax rebate provided for in this section may
2 be deducted from the taxpayer's New Mexico income tax liability
3 for the taxable year. If the tax rebate exceeds the taxpayer's
4 income tax liability, the excess shall be refunded to the
5 taxpayer.

6 G. In January of every odd-numbered year in which a
7 county does not have in effect an ordinance adopted pursuant to
8 this subsection, the board of county commissioners of the
9 county [~~shall~~] may conduct a public hearing on the question of
10 whether the property tax rebate provided in this section
11 benefiting low-income property taxpayers in the county should
12 be made available through adoption of a county ordinance.
13 Notice of the public hearing shall be published once at least
14 two weeks prior to the hearing date in at least one newspaper
15 of general circulation in the county and broadcast at some time
16 within the week before the hearing on at least one radio
17 station with substantial broadcasting coverage in the county.
18 At the public hearing, the board shall take action on the
19 question and if a majority of the members elected votes to
20 adopt an ordinance, it shall be adopted no later than thirty
21 days after the public hearing.

22 H. An ordinance adopted pursuant to Subsection G of
23 this section shall specify the taxable years to which it is
24 applicable. The board of county commissioners adopting an
25 ordinance shall notify the department of the adoption of the

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1 ordinance and furnish a copy of the ordinance to the department
2 no later than September 1 of the first taxable year to which
3 the ordinance applies.

4 I. No later than December 31 of the year
5 immediately following the first year in which the low-income
6 taxpayer property tax rebate provided in the Income Tax Act is
7 in effect for a county, and no later than December 31 of each
8 year thereafter in which the tax rebate is in effect, the
9 department shall certify to the county the amount of the loss
10 of income tax revenue to the state for the previous taxable
11 year attributable to the allowance of property tax rebates to
12 taxpayers of that county. The county shall promptly pay the
13 amount certified to the department. If a county fails to pay
14 the amount certified within thirty days of the date of
15 certification, the department may enforce collection of the
16 amount by action against the county and may withhold from any
17 revenue distribution to the county, not dedicated or pledged,
18 amounts up to the amount certified.

19 J. As used in this section, "principal place of
20 residence" means the dwelling owned and occupied by the
21 taxpayer and so much of the land surrounding it, not to exceed
22 five acres, as is reasonably necessary for use of the dwelling
23 as a home and may consist of a part of a multidwelling or a
24 multipurpose building and a part of the land upon which it is
25 built."

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