

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL

**55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

INTRODUCED BY

Bill Tallman

AN ACT

RELATING TO TAXATION; AMENDING THE PERSONAL INCOME TAX  
BRACKETS; REPEALING AN OUTDATED SECTION OF THE NMSA 1978.

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Chapter 104, Section 4) is repealed and a new Section 7-2-7  
NMSA 1978 is enacted to read:

"7-2-7. [NEW MATERIAL] INDIVIDUAL INCOME TAX RATES.--

A. The tax imposed by Section 7-2-3 NMSA 1978 shall  
be at the rates provided in Subsections B through D of this  
section for any taxable year beginning on or after January 1,  
2022.

B. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
Not over \$5,000	1.7% of taxable income

underscoring material = new  
[bracketed material] = delete

underscored material = new  
[bracketed material] = delete

1	Over \$5,000 but not over \$7,500	\$85.00 plus 3.2% of
2		excess over \$5,000
3	Over \$7,500 but not over \$17,500	\$165 plus 4.7% of excess
4		over \$7,500
5	Over \$17,500 but not over \$37,500	\$635 plus 5.2% of excess
6		over \$17,500
7	Over \$37,500 but not over \$75,000	\$1,675 plus 5.5% of
8		excess over \$37,500
9	Over \$75,000 but not over \$150,000	\$3,737.50 plus 5.8% of
10		excess over \$75,000
11	Over \$150,000	\$8,087.50 plus 6.5% of
12		excess over \$150,000.

13 C. For heads of household, surviving spouses and  
14 married individuals filing joint returns:

15	If the taxable income is:	The tax shall be:
16	Not over \$10,000	1.7% of taxable income
17	Over \$10,000 but not over \$15,000	\$170 plus 3.2% of excess
18		over \$10,000
19	Over \$15,000 but not over \$35,000	\$330 plus 4.7% of excess
20		over \$15,000
21	Over \$35,000 but not over \$75,000	\$1,270 plus 5.2% of
22		excess over \$35,000
23	Over \$75,000 but not over \$150,000	\$3,350 plus 5.5% of
24		excess over \$75,000
25	Over \$150,000 but not over \$300,000	\$7,475 plus 5.8% of

.218212.1

underscored material = new  
[bracketed material] = delete

1 excess over \$150,000  
2 Over \$300,000 \$16,175 plus 6.5% of  
3 excess over \$300,000.

4 D. For single individuals and for estates and  
5 trusts:

6	If the taxable income is:	The tax shall be:
7	Not over \$6,500	1.7% of taxable income
8	Over \$6,500 but not over \$10,000	\$110.50 plus 3.2% of
9		excess over \$6,500
10	Over \$10,000 but not over \$23,500	\$222.50 plus 4.7% of
11		excess over \$10,000
12	Over \$23,500 but not over \$50,000	\$857 plus 5.2% of excess
13		over \$23,500
14	Over \$50,000 but not over \$100,000	\$2,235 plus 5.5% of
15		excess over \$50,000
16	Over \$100,000 but not over \$200,000	\$4,985 plus 5.8% of
17		excess over \$100,000
18	Over \$200,000	\$10,785 plus 6.5% of
19		excess over \$200,000.

20 E. The tax on the sum of any lump-sum amounts  
21 included in net income is an amount equal to five multiplied by  
22 the difference between:

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

25 (2) the amount of tax that would be due on an

.218212.1

underscoring material = new  
~~[bracketed material]~~ = delete

1 amount equal to the taxpayer's taxable income and twenty  
2 percent of the taxpayer's lump-sum amounts included in net  
3 income."

4 SECTION 2. REPEAL.--That version of Section 7-2-7 NMSA  
5 1978 (being Laws 2005 (1st S.S.), Chapter 3, Section 2) is  
6 repealed.

7 SECTION 3. EFFECTIVE DATE.--The effective date of the  
8 provisions of Section 1 of this act is January 1, 2022.

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25