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SENATE BILL

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Gregg Schmedes

AN ACT

RELATING TO TAXATION; ADJUSTING INCOME TAX BRACKETS.

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, as amended) 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, [2021] 2023:

~~[A. For married individuals filing separate returns:~~

<del>If the taxable income is:</del>	<del>The tax shall be:</del>
<del>Not over \$4,000</del>	<del>1.7% of taxable income</del>
<del>Over \$4,000 but not over \$8,000</del>	<del>\$68.00 plus 3.2% of</del>
	<del>excess over \$4,000</del>
<del>Over \$8,000 but not over \$12,000</del>	<del>\$196 plus 4.7% of</del>

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1 ~~excess over \$8,000~~  
2 ~~Over \$12,000 but not over \$157,500~~ ~~\$384 plus 4.9% of~~  
3 ~~excess over \$12,000~~  
4 ~~Over \$157,500~~ ~~\$7,513.50 plus 5.9% of~~  
5 ~~excess over \$157,500.~~

6 ~~B.~~ A. For heads of household, surviving spouses  
7 and married individuals filing joint returns:

8	If the taxable income is:	The tax shall be:
9	Not over [ <del>\$8,000</del> ] <u>\$11,000</u>	1.7% of taxable income
10	Over [ <del>\$8,000</del> ] <u>\$11,000</u> but not	[ <del>\$136</del> ] <u>\$187</u> plus 3.2%
11	over [ <del>\$16,000</del> ] <u>\$22,000</u>	of excess over
12		[ <del>\$8,000</del> ] <u>\$11,000</u>
13	Over [ <del>\$16,000</del> ] <u>\$22,000</u> but not	[ <del>\$392</del> ] <u>\$539</u> plus 4.7%
14	over [ <del>\$24,000</del> ] <u>\$32,000</u>	of excess over
15		[ <del>\$16,000</del> ] <u>\$22,000</u>
16	Over [ <del>\$24,000</del> ] <u>\$32,000</u> but not	[ <del>\$768</del> ] <u>\$1,009</u> plus
17	over [ <del>\$315,000</del> ] <u>\$420,000</u>	4.9% of excess over
18		[ <del>\$24,000</del> ] <u>\$32,000</u>
19	Over [ <del>\$315,000</del> ] <u>\$420,000</u>	[ <del>\$15,027</del> ] <u>\$20,021</u> plus
20		5.9% of excess over
21		[ <del>\$315,000</del> ] <u>\$420,000.</u>

22 ~~C.~~ B. For single individuals, married individuals  
23 filing separately and for estates and trusts:

24	If the taxable income is:	The tax shall be:
25	Not over \$5,500	1.7% of taxable income

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

1 Over \$5,500 but not over \$11,000 \$93.50 plus 3.2% of  
2 excess over \$5,500  
3 Over \$11,000 but not over \$16,000 \$269.50 plus 4.7% of  
4 excess over \$11,000  
5 Over \$16,000 but not over \$210,000 \$504.50 plus 4.9% of  
6 excess over \$16,000  
7 Over \$210,000 \$10,010.50 plus 5.9% of  
8 excess over \$210,000.

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

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

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