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HOUSE BILL 252

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Derrick J. Lente

AN ACT

RELATING TO TAXATION; ADJUSTING INDIVIDUAL INCOME TAX BRACKETS
AND RATES.

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] 2025:

~~[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

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

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

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

19 ~~C. For single individuals and for estates and~~
20 ~~trusts:~~

21 ~~If the taxable income is:~~ ~~The tax shall be:~~
22 ~~Not over \$5,500~~ ~~1.7% of taxable income~~
23 ~~Over \$5,500 but not over \$11,000~~ ~~\$93.50 plus 3.2% of~~
24 ~~excess over \$5,500~~
25 ~~Over \$11,000 but not over \$16,000~~ ~~\$269.50 plus 4.7% of~~

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1 ~~excess over \$11,000~~
2 ~~Over \$16,000 but not over \$210,000~~ ~~\$504.50 plus 4.9% of~~
3 ~~excess over \$16,000~~
4 ~~Over \$210,000~~ ~~\$10,010.50 plus 5.9% of~~
5 ~~excess over \$210,000.]~~

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

8 <u>For taxable income:</u>	9 <u>The tax shall be:</u>
10 <u>Not over \$8,000</u>	11 <u>1.5% of taxable income</u>
12 <u>Over \$8,000 but not over \$25,000</u>	13 <u>\$120 plus 3.2% of excess</u> 14 <u>over \$8,000</u>
15 <u>Over \$25,000 but not over \$50,000</u>	16 <u>\$664 plus 4.3% of excess</u> 17 <u>over \$25,000</u>
18 <u>Over \$50,000 but not over \$100,000</u>	19 <u>\$1,739 plus 4.7% of</u> 20 <u>excess over \$50,000</u>
21 <u>Over \$100,000 but not over \$315,000</u>	22 <u>\$4,089 plus 4.9% of</u> 23 <u>excess over \$100,000</u>
24 <u>Over \$315,000</u>	25 <u>\$14,624 plus 5.9% of</u> <u>excess over \$315,000.</u>

26 B. For single individuals and for estates and
27 trusts:

28 <u>For taxable income:</u>	29 <u>The tax shall be:</u>
30 <u>Not over \$5,500</u>	31 <u>1.5% of taxable income</u>
32 <u>Over \$5,500 but not over \$16,500</u>	33 <u>\$82.50 plus 3.2% of</u> 34 <u>excess over \$5,500</u>

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1	<u>Over \$16,500 but not over \$33,500</u>	<u>\$434.50 plus 4.3% of</u>
2		<u>excess over \$16,500</u>
3	<u>Over \$33,500 but not over \$66,500</u>	<u>\$1,165.50 plus 4.7% of</u>
4		<u>excess over \$33,500</u>
5	<u>Over \$66,500 but not over \$210,000</u>	<u>\$2,716.50 plus 4.9% of</u>
6		<u>excess over \$66,500</u>
7	<u>Over \$210,000</u>	<u>\$9,748 plus 5.9% of</u>
8		<u>excess over \$210,000.</u>

9 C. For married individuals filing separate returns:

10	<u>For taxable income:</u>	<u>The tax shall be:</u>
11	<u>Not over \$4,000</u>	<u>1.5% of taxable income</u>
12	<u>Over \$4,000 but not over \$12,500</u>	<u>\$60.00 plus 3.2% of</u>
13		<u>excess over \$4,000</u>
14	<u>Over \$12,500 but not over \$25,000</u>	<u>\$332 plus 4.3% of excess</u>
15		<u>over \$12,500</u>
16	<u>Over \$25,000 but not over \$50,000</u>	<u>\$869.50 plus 4.7% of</u>
17		<u>excess over \$25,000</u>
18	<u>Over \$50,000 but not over \$157,500</u>	<u>\$2,044.50 plus 4.9% of</u>
19		<u>excess over \$50,000</u>
20	<u>Over \$157,500</u>	<u>\$7,312 plus 5.9% of</u>
21		<u>excess over \$157,500.</u>

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

25 (1) the amount of tax due on the taxpayer's

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taxable income; and

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

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is January 1, 2025.