

1 SENATE BILL 497

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Gabriel Ramos and Joshua A. Sanchez and Jay C. Block
5 and Anthony L. Thornton
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10 AN ACT

11 RELATING TO INCOME TAX; REMOVING THE LIMIT ON THE AMOUNT OF THE
12 INCOME TAX EXEMPTION FOR ARMED FORCES RETIREMENT PAY.
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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. Section 7-2-5.13 NMSA 1978 (being Laws 2022,
16 Chapter 47, Section 6, as amended) is amended to read:

17 "7-2-5.13. EXEMPTION--ARMED FORCES RETIREMENT PAY.--

18 A. An individual who is an armed forces retiree or
19 the surviving spouse of an armed forces retiree may claim an
20 exemption in [~~an amount equal to thirty thousand dollars~~
21 ~~(\$30,000) of] the amount of the retiree's armed forces
22 retirement pay includable, except for this exemption, in net
23 income.~~

24 B. As used in this section, "armed forces retiree"
25 means a former member of the armed forces of the United States

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1 who has qualified by years of service or disability to separate
2 from military service with lifetime benefits."

3 SECTION 2. APPLICABILITY.--The provisions of this act
4 apply to taxable years beginning on or after January 1, 2026.

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