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SENATE BILL 170

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

RICHARD M ROMERO

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO EXPAND AND INCREASE THE TAX REBATE FOR PROPERTY TAX DUE FOR CERTAIN TAXPAYERS SIXTY-FIVE YEARS OF AGE AND OLDER.

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

Section 1. Section 7-2-18 NMSA 1978 (being Laws 1977, Chapter 196, Section 1, as amended) is amended to read:

"7-2-18. TAX REBATE OF PROPERTY TAX DUE ~~[WHICH]~~ THAT EXCEEDS THE ELDERLY TAXPAYER'S MAXIMUM PROPERTY TAX LIABILITY-- REFUND. --

A. Any resident who has attained the age of sixty-five and files an individual New Mexico income tax return and is not a dependent of another individual may claim a tax rebate for the taxable year for which the return is filed. The tax rebate shall be the amount of property tax due on the resident's

Underscored material = new
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1 principal place of residence for the taxable year [~~which~~] that
2 exceeds the property tax liability indicated by the table in
3 Subsection F of this section, based upon the taxpayer's modified
4 gross income.

5 B. Any resident otherwise qualified under this
6 section who rents a principal place of residence from another
7 person may calculate the amount of property tax due by
8 multiplying the gross rent for the taxable year by six percent.
9 The tax rebate shall be the amount of property tax due on the
10 taxpayer's principal place of residence for the taxable year
11 [~~which~~] that exceeds the property tax liability indicated by the
12 table in Subsection F of this section, based upon the taxpayer's
13 modified gross income.

14 C. "Principal place of residence" for purposes of
15 this section means the dwelling, whether owned or rented, and so
16 much of the land surrounding it, not to exceed five acres, as is
17 reasonably necessary for use of the dwelling as a home and may
18 consist of a part of a multidwelling or a multipurpose building
19 and a part of the land upon which it is built.

20 D. No claim for the tax rebate provided in this
21 section shall be allowed a resident who was an inmate of a
22 public institution for more than six months during the taxable
23 year or who was not physically present in New Mexico for at
24 least six months during the taxable year for which the tax
25 rebate could be claimed.

1 E. A husband and wife who file separate returns for
 2 a taxable year in which they could have filed a joint return may
 3 each claim only one-half of the tax rebate that would have been
 4 allowed on a joint return.

5 F. The tax rebate provided for in this section may
 6 be claimed in the amount of the property tax due each taxable
 7 year [~~which~~] that exceeds the amount shown as property tax
 8 liability in the following table:

9 ELDERLY HOMEOWNERS' MAXIMUM PROPERTY TAX LIABILITY TABLE

			Property Tax
	<u>Taxpayer's Modified Gross Income</u>		<u>Liability</u>
		But Not	
	<u>Over</u>	<u>Over</u>	
14	\$ 0	\$1, 000	\$20
15	1, 000	2, 000	25
16	2, 000	3, 000	30
17	3, 000	4, 000	35
18	4, 000	5, 000	40
19	5, 000	6, 000	45
20	6, 000	7, 000	50
21	7, 000	8, 000	55
22	8, 000	9, 000	60
23	9, 000	10, 000	75
24	10, 000	11, 000	90
25	11, 000	12, 000	105

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1	12, 000	13, 000	120
2	13, 000	14, 000	135
3	14, 000	15, 000	150
4	15, 000	16, 000	[180] <u>165</u>
5	<u>16, 000</u>	<u>17, 000</u>	<u>180</u>
6	<u>17, 000</u>	<u>18, 000</u>	<u>195</u>
7	<u>18, 000</u>	<u>19, 000</u>	<u>210</u>
8	<u>19, 000</u>	<u>20, 000</u>	<u>225</u>
9	<u>20, 000</u>	<u>21, 000</u>	<u>240</u>
10	<u>21, 000</u>	<u>22, 000</u>	<u>255</u>
11	<u>22, 000</u>	<u>23, 000</u>	<u>270</u>
12	<u>23, 000</u>	<u>24, 000</u>	<u>285</u>
13	<u>24, 000</u>	<u>25, 000</u>	<u>300</u> .

14 G. If a taxpayer's modified gross income is zero,
15 the taxpayer may claim a tax rebate based upon the amount shown
16 in the first row of the table. The tax rebate provided for in
17 this section shall not exceed [~~two hundred fifty dollars (\$250)~~]
18 six hundred fifty dollars (\$650) per return, and, if a return is
19 filed separately [~~which~~] that could have been filed jointly, the
20 tax rebate shall not exceed [~~one hundred twenty-five dollars~~
21 ~~(\$125)~~] three hundred twenty-five dollars (\$325). No tax rebate
22 shall be allowed any taxpayer whose modified gross income
23 exceeds [~~sixteen thousand dollars (\$16,000)~~] twenty-five
24 thousand dollars (\$25,000).

25 H. The tax rebate provided for in this section may

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1 be deducted from the taxpayer's New Mexico income tax liability
2 for the taxable year. If the tax rebate exceeds the taxpayer's
3 income tax liability, the excess shall be refunded to the
4 taxpayer. "

5 Section 2. APPLICABILITY. --The provisions of this act
6 apply to taxable years beginning on or after January 1, 1996.

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1 FORTY- SECOND LEGI SLATURE
2 SECOND SESSI ON, 1996

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5 JANUARY 24, 1996

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7 Mr. Presi dent:

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9 Your COMMI TTEES' COMMI TTEE, to whom has been referred

10
11 SENATE BILL 170

12
13 has had it under consideration and finds same to be GERMANE, PURSUANT
14 TO CONSTITUTIONAL PROVISIONS, and thence referred to the WAYS AND
15 MEANS COMMI TTEE.

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17 Respectfully submi tted,

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23 SENATOR MANNY M. ARAGON, Chai rman
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Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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Date _____

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FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996

SB 170/a

February 7, 1996

Mr. President:

Your WAYS AND MEANS COMMITTEE, to whom has been referred

SENATE BILL 170

has had it under consideration and reports same with recommendation that
it DO PASS, amended as follows:

1. On page 1, line 13, before the period insert "; ENACTING A NEW
SECTION OF THE PROPERTY TAX CODE TO PROVIDE FOR IMPOSITION OF A CHARGE
TO OFFSET THE COST OF EXPANDING AND INCREASING THAT TAX REBATE".

2. On page 5, strike lines 5 and 6, and insert in lieu thereof the
following sections:

"Section 2. A new section of the Property Tax Code is enacted to
read:

"[NEW MATERIAL] RECIPIENTS OF REVENUE PRODUCED THROUGH AD VALOREM
LEVIES REQUIRED TO PAY ADDITIONAL CHARGE TO OFFSET COST OF EXPANDING

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**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

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STATE PROPERTY TAX REBATE FOR THE ELDERLY. --

A. Prior to the distribution to a revenue recipient of revenue received by a county treasurer and in addition to any other administrative charge, the treasurer shall bill the revenue recipient as a charge to offset the cost of expanding the state property tax rebate for the elderly an amount equal to one percent of the revenue received.

B. All charges collected by the county treasurer pursuant to this section shall be transferred to the state treasurer for deposit in the state general fund no later than June 30 of the year following the property tax year for which the revenues were collected.

C. As used in this section:

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~~[bracketed material] = delete~~

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(1) "revenue" means money for which a county treasurer has the legal responsibility for collection and that is owed to a revenue recipient as a result of an imposition authorized by law of a rate expressed in mills per dollar or dollars per thousand dollars of net taxable value of property, assessed value of property or a similar term, including but not limited to money resulting from the authorization of rates and impositions under special levies for special purposes and benefit assessments, but does not include money resulting from impositions under Paragraph (3) of Subsection C of Section 7-37-7 NMSA 1978; and

(2) "revenue recipient" means the state and any of its political subdivisions that are authorized by law to receive revenue."

Section 3. APPLICABILITY. --

A. The provisions of Section 1 of this act apply to taxable years beginning on or after January 1, 1996.

B. The provisions of Section 2 of this act apply to 1996 and subsequent property tax years. ". ,

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and thence referred to the FINANCE COMMITTEE.

Respectfully submitted,

TITO D. CHAVEZ, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

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**FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996**

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The roll call vote was 3 For 2 Against

Yes: 3

No: Rawson, Wiener

Excused: Campos, Jennings, Riley

Absent: None

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. 111754. 1

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Underscored material = new
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