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SENATE BILL 20

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

CARLOS R. CISNEROS

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; REDUCING PERSONAL INCOME TAX RATES;  
INCREASING AND EXPANDING ELIGIBILITY FOR LOW-INCOME TAX  
REBATES; PROVIDING A DEDUCTION FROM GROSS RECEIPTS AND  
GOVERNMENTAL GROSS RECEIPTS FOR RECEIPTS FROM THE SALE OF  
PRESCRIPTION DRUGS; ABOLISHING THE PRESCRIPTION DRUG TAX  
CREDIT; AMENDING, REPEALING AND ENACTING SECTIONS 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 1994,  
Chapter 5, Section 20) 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, [ 1996] 1998:

A. For ~~married~~ individuals filing separate

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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~~  
~~Over \$ 8,000 but not over \$ 12,000 \$ 196 plus 4.7% of~~  
~~excess over \$ 8,000~~  
~~Over \$ 12,000 but not over \$ 20,000 \$ 384 plus 6.0% of~~  
~~excess over \$ 12,000~~  
~~Over \$ 20,000 but not over \$ 32,000 \$ 864 plus 7.1% of~~  
~~excess over \$ 20,000~~  
~~Over \$ 32,000 but not over \$ 50,000 \$ 1,716 plus 7.9% of~~  
~~excess over \$ 32,000~~  
~~Over \$ 50,000 \$ 3,138 plus 8.5% of~~  
~~excess over \$ 50,000]~~

Not over \$4,000 1.6% of taxable income  
Over \$ 4,000 but not over \$ 8,000 \$ 64.00 plus 3.1% of  
excess over \$ 4,000  
Over \$ 8,000 but not over \$ 12,000 \$ 188 plus 4.5% of  
excess over \$ 8,000  
Over \$ 12,000 but not over \$ 20,000 \$ 368 plus 5.8% of  
excess over \$ 12,000  
Over \$ 20,000 but not over \$ 32,000 \$ 832 plus 6.8% of  
excess over \$ 20,000  
Over \$ 32,000 but not over \$ 50,000 \$ 1,648 plus 7.6% of

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1 excess over \$ 32,000  
2 Over \$ 50,000 \$ 3,016 plus 7.9% of  
3 excess over \$ 50,000.

4 B. For surviving spouses and married individuals  
5 filing joint returns:

6 If the taxable income is:	The tax shall be:
7 <del>[Not over \$8,000</del>	<del>1.7% of taxable income</del>
8 <del>Over \$ 8,000 but not over \$ 16,000</del>	<del>\$ 136 plus 3.2% of</del>
9 <del>_____</del>	<del>excess over \$ 8,000</del>
10 <del>Over \$ 16,000 but not over \$ 24,000</del>	<del>\$ 392 plus 4.7% of</del>
11 <del>_____</del>	<del>excess over \$ 16,000</del>
12 <del>Over \$ 24,000 but not over \$ 40,000</del>	<del>\$ 768 plus 6.0% of</del>
13 <del>_____</del>	<del>excess over \$ 24,000</del>
14 <del>Over \$ 40,000 but not over \$ 64,000</del>	<del>\$ 1,728 plus 7.1% of</del>
15 <del>_____</del>	<del>excess over \$ 40,000</del>
16 <del>Over \$ 64,000 but not over \$100,000</del>	<del>\$ 3,432 plus 7.9% of</del>
17 <del>_____</del>	<del>excess over \$ 64,000</del>
18 <del>Over \$100,000</del>	<del>\$ 6,276 plus 8.5% of</del>
19 <del>_____</del>	<del>excess over \$100,000]</del>

20 <u>Not over \$8,000</u>	<u>1.6% of taxable income</u>
21 <u>Over \$ 8,000 but not over \$ 16,000</u>	<u>\$ 128 plus 3.1% of</u>
22 <u>_____</u>	<u>excess over \$ 8,000</u>
23 <u>Over \$ 16,000 but not over \$ 24,000</u>	<u>\$ 376 plus 4.5% of</u>
24 <u>_____</u>	<u>excess over \$ 16,000</u>
25 <u>Over \$ 24,000 but not over \$ 40,000</u>	<u>\$ 736 plus 5.8% of</u>

Underscored material = new  
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1		<u>excess over \$ 24,000</u>
2	<u>Over \$ 40,000 but not over \$ 64,000</u>	<u>\$ 1,664 plus 6.8% of</u>
3		<u>excess over \$ 40,000</u>
4	<u>Over \$ 64,000 but not over \$100,000</u>	<u>\$ 3,296 plus 7.6% of</u>
5		<u>excess over \$ 64,000</u>
6	<u>Over \$100,000</u>	<u>\$ 6,032 plus 7.9% of</u>
7		<u>excess over \$100,000.</u>

8 C. For single individuals and for estates and  
9 trusts:

10	If the taxable income is:	The tax shall be:
11	<del>[Not over \$5,500</del>	<del>1.7% of taxable income</del>
12	<del>Over \$ 5,500 but not over \$ 11,000</del>	<del>\$ 93.50 plus 3.2% of</del>
13		<del>excess over \$ 5,500</del>
14	<del>Over \$ 11,000 but not over \$ 16,000</del>	<del>\$ 269.50 plus 4.7% of</del>
15		<del>excess over \$ 11,000</del>
16	<del>Over \$ 16,000 but not over \$ 26,000</del>	<del>\$ 504.50 plus 6.0% of</del>
17		<del>excess over \$ 16,000</del>
18	<del>Over \$ 26,000 but not over \$ 42,000</del>	<del>\$1,104.50 plus 7.1% of</del>
19		<del>excess over \$ 26,000</del>
20	<del>Over \$ 42,000 but not over \$ 65,000</del>	<del>\$2,240.50 plus 7.9% of</del>
21		<del>excess over \$ 42,000</del>
22	<del>Over \$ 65,000</del>	<del>\$4,057.50 plus 8.5% of</del>
23		<del>excess over \$ 65,000]</del>
24	<u>Not over \$5,500</u>	<u>1.6% of taxable income</u>
25	<u>Over \$ 5,500 but not over \$ 11,000</u>	<u>\$ 88.00 plus 3.1% of</u>

Underscored material = new  
[bracketed material] = delete

1		<u>excess over \$ 5,500</u>
2	<u>Over \$ 11,000 but not over \$ 16,000</u>	<u>\$ 258.50 plus 4.5% of</u>
3		<u>excess over \$ 11,000</u>
4	<u>Over \$ 16,000 but not over \$ 26,000</u>	<u>\$ 483.50 plus 5.8% of</u>
5		<u>excess over \$ 16,000</u>
6	<u>Over \$ 26,000 but not over \$ 42,000</u>	<u>\$1,063.50 plus 6.8% of</u>
7		<u>excess over \$ 26,000</u>
8	<u>Over \$ 42,000 but not over \$ 65,000</u>	<u>\$2,151.50 plus 7.6% of</u>
9		<u>excess over \$ 42,000</u>
10	<u>Over \$ 65,000</u>	<u>\$3,899.50 plus 7.9% of</u>
11		<u>excess over \$ 65,000.</u>

D. For heads of household filing returns:

13	If the taxable income is:	The tax shall be:
14	<del>[Not over \$7,000</del>	<del>1.7% of taxable income</del>
15	<del>Over \$ 7,000 but not over \$ 14,000</del>	<del>\$ 119 plus 3.2% of</del>
16	<del>_____</del>	<del>excess over \$ 7,000</del>
17	<del>Over \$ 14,000 but not over \$ 20,000</del>	<del>\$ 343 plus 4.7% of</del>
18	<del>_____</del>	<del>excess over \$ 14,000</del>
19	<del>Over \$ 20,000 but not over \$ 33,000</del>	<del>\$ 625 plus 6.0% of</del>
20	<del>_____</del>	<del>excess over \$ 20,000</del>
21	<del>Over \$ 33,000 but not over \$ 53,000</del>	<del>\$1,405 plus 7.1% of</del>
22	<del>_____</del>	<del>excess over \$ 33,000</del>
23	<del>Over \$ 53,000 but not over \$ 83,000</del>	<del>\$2,825 plus 7.9% of</del>
24	<del>_____</del>	<del>excess over \$ 53,000</del>
25	<del>Over \$ 83,000</del>	<del>\$5,195 plus 8.5% of</del>

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1	<del>excess over \$ 83,000]</del>
2	<u>Not over \$7,000</u> <u>1.6% of taxable income</u>
3	<u>Over \$ 7,000 but not over \$ 14,000</u> <u>\$ 112 plus 3.1% of</u>
4	<u>excess over \$ 7,000</u>
5	<u>Over \$ 14,000 but not over \$ 20,000</u> <u>\$ 329 plus 4.5% of</u>
6	<u>excess over \$ 14,000</u>
7	<u>Over \$ 20,000 but not over \$ 33,000</u> <u>\$ 599 plus 5.8% of</u>
8	<u>excess over \$ 20,000</u>
9	<u>Over \$ 33,000 but not over \$ 53,000</u> <u>\$1,353 plus 6.8% of</u>
10	<u>excess over \$ 33,000</u>
11	<u>Over \$ 53,000 but not over \$ 83,000</u> <u>\$2,713 plus 7.6% of</u>
12	<u>excess over \$ 53,000</u>
13	<u>Over \$ 83,000</u> <u>\$4,993 plus 7.9% of</u>
14	<u>excess over \$ 83,000.</u>

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

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

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

24 Section 2. Section 7-2-14 NMSA 1978 (being Laws 1972,  
25 Chapter 20, Section 2, as amended) is amended to read:

1 "7-2-14. LOW-INCOME COMPREHENSIVE TAX REBATE. --

2 A. Except as otherwise provided in Subsection B of  
3 this section, any resident who files an individual New Mexico  
4 income tax return and who is not a dependent of another  
5 individual may claim a tax rebate for a portion of state and  
6 local taxes to which the resident has been subject during the  
7 taxable year for which the return is filed. The tax rebate  
8 may be claimed even though the resident has no income taxable  
9 under the Income Tax Act. A husband and wife who file  
10 separate returns for a taxable year in which they could have  
11 filed a joint return may each claim only one-half of the tax  
12 rebate that would have been allowed on a joint return.

13 B. No claim for the tax rebate provided in this  
14 section shall be filed by a resident who was an inmate of a  
15 public institution for more than six months during the taxable  
16 year for which the tax rebate could be claimed or who was not  
17 physically present in New Mexico for at least six months  
18 during the taxable year for which the tax rebate could be  
19 claimed.

20 C. For the purposes of this section, the total  
21 number of exemptions for which a tax rebate may be claimed or  
22 allowed is determined by adding the number of federal  
23 exemptions allowable for federal income tax purposes for each  
24 individual included in the return who is domiciled in New  
25 Mexico plus two additional exemptions for each individual

1 domiciled in New Mexico included in the return who is  
 2 sixty-five years of age or older plus one additional exemption  
 3 for each individual domiciled in New Mexico included in the  
 4 return who, for federal income tax purposes, is blind plus one  
 5 exemption for each minor child or stepchild of the resident  
 6 who would be a dependent for federal income tax purposes if  
 7 the public assistance contributing to the support of the child  
 8 or stepchild was considered to have been contributed by the  
 9 resident.

10 D. The tax rebate provided for in this section may  
 11 be claimed in the amount shown in the following table:

12	Modified gross		And the total number					
13	income is:		of exemptions is:					
14		But Not						6 or
15	Over	Over	1	2	3	4	5	More
16	<del>[\$ 0</del>	<del>\$ 500</del>	<del>\$120</del>	<del>\$150</del>	<del>\$175</del>	<del>\$200</del>	<del>\$225</del>	<del>\$320</del>
17	<del>500</del>	<del>1,000</del>	<del>135</del>	<del>185</del>	<del>225</del>	<del>265</del>	<del>300</del>	<del>415</del>
18	<del>1,000</del>	<del>1,500</del>	<del>135</del>	<del>190</del>	<del>235</del>	<del>290</del>	<del>325</del>	<del>435</del>
19	<del>1,500</del>	<del>2,000</del>	<del>135</del>	<del>190</del>	<del>235</del>	<del>290</del>	<del>325</del>	<del>450</del>
20	<del>2,000</del>	<del>2,500</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>290</del>	<del>325</del>	<del>450</del>
21	<del>2,500</del>	<del>3,000</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>290</del>	<del>325</del>	<del>450</del>
22	<del>3,000</del>	<del>3,500</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>290</del>	<del>325</del>	<del>450</del>
23	<del>3,500</del>	<del>4,000</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>300</del>	<del>335</del>	<del>450</del>
24	<del>4,000</del>	<del>4,500</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>300</del>	<del>355</del>	<del>450</del>
25	<del>4,500</del>	<del>5,000</del>	<del>115</del>	<del>150</del>	<del>205</del>	<del>300</del>	<del>355</del>	<del>450</del>



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1	<del>5,000</del>	<del>5,500</del>	<del>95</del>	<del>130</del>	<del>165</del>	<del>260</del>	<del>355</del>	<del>430</del>
2	<del>5,500</del>	<del>6,000</del>	<del>75</del>	<del>110</del>	<del>145</del>	<del>220</del>	<del>315</del>	<del>410</del>
3	<del>6,000</del>	<del>6,500</del>	<del>55</del>	<del>90</del>	<del>125</del>	<del>180</del>	<del>275</del>	<del>370</del>
4	<del>6,500</del>	<del>7,000</del>	<del>35</del>	<del>70</del>	<del>105</del>	<del>140</del>	<del>235</del>	<del>330</del>
5	<del>7,000</del>	<del>7,500</del>	<del>15</del>	<del>50</del>	<del>85</del>	<del>120</del>	<del>195</del>	<del>290</del>
6	<del>7,500</del>	<del>8,000</del>	<del>10</del>	<del>20</del>	<del>50</del>	<del>80</del>	<del>130</del>	<del>220</del>
7	<del>8,000</del>	<del>8,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>60</del>	<del>90</del>	<del>180</del>
8	<del>8,500</del>	<del>9,000</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>70</del>	<del>140</del>
9	<del>9,000</del>	<del>9,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>60</del>	<del>100</del>
10	<del>9,500</del>	<del>10,000</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>80</del>
11	<del>10,000</del>	<del>10,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>60</del>
12	<del>10,500</del>	<del>11,000</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>60</del>
13	<del>11,000</del>	<del>11,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>60</del>
14	<del>11,500</del>	<del>12,000</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
15	<del>12,000</del>	<del>12,500</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
16	<del>12,500</del>	<del>13,000</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
17	<del>13,000</del>	<del>13,500</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
18	<del>13,500</del>	<del>14,000</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del> ]
19	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 145</u>	<u>\$ 180</u>	<u>\$ 210</u>	<u>\$ 240</u>	<u>\$ 270</u>	<u>\$ 350</u>
20	<u>500</u>	<u>1,000</u>	<u>165</u>	<u>225</u>	<u>270</u>	<u>320</u>	<u>350</u>	<u>450</u>
21	<u>1,000</u>	<u>1,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>480</u>
22	<u>1,500</u>	<u>2,000</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
23	<u>2,000</u>	<u>2,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
24	<u>2,500</u>	<u>3,000</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
25	<u>3,000</u>	<u>3,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>

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1	<u>3,500</u>	<u>4,000</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
2	<u>4,000</u>	<u>4,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
3	<u>4,500</u>	<u>5,000</u>	<u>140</u>	<u>180</u>	<u>250</u>	<u>330</u>	<u>380</u>	<u>470</u>
4	<u>5,000</u>	<u>5,500</u>	<u>115</u>	<u>160</u>	<u>200</u>	<u>315</u>	<u>370</u>	<u>455</u>
5	<u>5,500</u>	<u>6,000</u>	<u>90</u>	<u>135</u>	<u>175</u>	<u>265</u>	<u>340</u>	<u>435</u>
6	<u>6,000</u>	<u>6,500</u>	<u>80</u>	<u>125</u>	<u>165</u>	<u>240</u>	<u>330</u>	<u>395</u>
7	<u>6,500</u>	<u>7,000</u>	<u>70</u>	<u>110</u>	<u>150</u>	<u>220</u>	<u>300</u>	<u>370</u>
8	<u>7,000</u>	<u>7,500</u>	<u>70</u>	<u>110</u>	<u>150</u>	<u>220</u>	<u>300</u>	<u>370</u>
9	<u>7,500</u>	<u>8,000</u>	<u>55</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>275</u>	<u>330</u>
10	<u>8,000</u>	<u>8,500</u>	<u>55</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>275</u>	<u>330</u>
11	<u>8,500</u>	<u>9,000</u>	<u>45</u>	<u>90</u>	<u>135</u>	<u>180</u>	<u>225</u>	<u>270</u>
12	<u>9,000</u>	<u>9,500</u>	<u>40</u>	<u>80</u>	<u>120</u>	<u>160</u>	<u>200</u>	<u>240</u>
13	<u>9,500</u>	<u>10,000</u>	<u>40</u>	<u>80</u>	<u>120</u>	<u>160</u>	<u>200</u>	<u>240</u>
14	<u>10,000</u>	<u>10,500</u>	<u>30</u>	<u>60</u>	<u>90</u>	<u>120</u>	<u>150</u>	<u>180</u>
15	<u>10,500</u>	<u>11,000</u>	<u>30</u>	<u>60</u>	<u>90</u>	<u>120</u>	<u>150</u>	<u>180</u>
16	<u>11,000</u>	<u>11,500</u>	<u>30</u>	<u>60</u>	<u>90</u>	<u>120</u>	<u>150</u>	<u>180</u>
17	<u>11,500</u>	<u>12,000</u>	<u>30</u>	<u>60</u>	<u>90</u>	<u>120</u>	<u>150</u>	<u>180</u>
18	<u>12,000</u>	<u>12,500</u>	<u>25</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>125</u>	<u>150</u>
19	<u>12,500</u>	<u>13,000</u>	<u>25</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>125</u>	<u>150</u>
20	<u>13,000</u>	<u>13,500</u>	<u>25</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>125</u>	<u>150</u>
21	<u>13,500</u>	<u>14,000</u>	<u>25</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>125</u>	<u>150</u>
22	<u>14,000</u>	<u>14,500</u>	<u>25</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>125</u>	<u>150</u>
23	<u>14,500</u>	<u>15,000</u>	<u>25</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>125</u>	<u>150</u>
24	<u>15,000</u>	<u>15,500</u>	<u>20</u>	<u>40</u>	<u>60</u>	<u>80</u>	<u>100</u>	<u>120</u>
25	<u>15,500</u>	<u>16,000</u>	<u>20</u>	<u>40</u>	<u>60</u>	<u>80</u>	<u>100</u>	<u>120</u>

Underscored material = new  
[bracketed material] = delete

1	<u>16,000</u>	<u>16,500</u>	<u>20</u>	<u>40</u>	<u>60</u>	<u>80</u>	<u>100</u>	<u>120</u>
2	<u>16,500</u>	<u>17,000</u>	<u>20</u>	<u>40</u>	<u>60</u>	<u>80</u>	<u>100</u>	<u>120</u>
3	<u>17,000</u>	<u>17,500</u>	<u>20</u>	<u>40</u>	<u>60</u>	<u>80</u>	<u>100</u>	<u>120</u>
4	<u>17,500</u>	<u>18,000</u>	<u>20</u>	<u>40</u>	<u>60</u>	<u>80</u>	<u>100</u>	<u>120</u>

5           E. If a taxpayer's modified gross income is zero,  
6 the taxpayer may claim a credit in the amount shown in the  
7 first row of the table appropriate for the taxpayer's number  
8 of exemptions.

9           F. The tax rebates provided for in this section may  
10 be deducted from the taxpayer's New Mexico income tax  
11 liability for the taxable year. If the tax rebates exceed the  
12 taxpayer's income tax liability, the excess shall be refunded  
13 to the taxpayer.

14           G. For purposes of this section, "dependent" means  
15 "dependent" as defined by Section 152 of the Internal Revenue  
16 Code of 1986, as that section may be amended or renumbered,  
17 but also includes any minor child or stepchild of the resident  
18 who would be a dependent for federal income tax purposes if  
19 the public assistance contributing to the support of the child  
20 or stepchild was considered to have been contributed by the  
21 resident. "

22           Section 3. Section 7-9-3 NMSA 1978 (being Laws 1978,  
23 Chapter 46, Section 1, as amended) is amended to read:

24           "7-9-3. DEFINITIONS. --As used in the Gross Receipts and  
25 Compensating Tax Act:

Underscored material = new  
[bracketed material] = delete

1           A. "department" means the taxation and revenue  
2 department, the secretary of taxation and revenue or any  
3 employee of the department exercising authority lawfully  
4 delegated to that employee by the secretary;

5           B. "buying" or "selling" means any transfer of  
6 property for consideration or any performance of service for  
7 consideration;

8           C. "construction" means building, altering,  
9 repairing or demolishing in the ordinary course of business  
10 any:

11                   (1) road, highway, bridge, parking area or  
12 related project;

13                   (2) building, stadium or other structure;

14                   (3) airport, subway or similar facility;

15                   (4) park, trail, athletic field, golf course  
16 or similar facility;

17                   (5) dam, reservoir, canal, ditch or similar  
18 facility;

19                   (6) sewerage or water treatment facility,  
20 power generating plant, pump station, natural gas compressing  
21 station, gas processing plant, coal gasification plant,  
22 refinery, distillery or similar facility;

23                   (7) sewerage, water, gas or other pipeline;

24                   (8) transmission line;

25                   (9) radio, television or other tower;

Underscored material = new  
[bracketed material] = delete

1 (10) water, oil or other storage tank;

2 (11) shaft, tunnel or other mining

3 appurtenance;

4 (12) microwave station or similar facility;

5 or

6 (13) similar work;

7 "construction" also means:

8 (14) leveling or clearing land;

9 (15) excavating earth;

10 (16) drilling wells of any type, including  
11 seismograph shot holes or core drilling; or

12 (17) similar work;

13 D. "financial corporation" means any savings and  
14 loan association or any incorporated savings and loan company,  
15 trust company, mortgage banking company, consumer finance  
16 company or other financial corporation;

17 E. "engaging in business" means carrying on or  
18 causing to be carried on any activity with the purpose of  
19 direct or indirect benefit;

20 F. "gross receipts" means the total amount of money  
21 or the value of other consideration received from selling  
22 property in New Mexico, from leasing property employed in New  
23 Mexico, from selling services performed outside New Mexico the  
24 product of which is initially used in New Mexico or from  
25 performing services in New Mexico. In an exchange in which

Underscored material = new  
[bracketed material] = delete

1 the money or other consideration received does not represent  
2 the value of the property or service exchanged, "gross  
3 receipts" means the reasonable value of the property or  
4 service exchanged.

5 (1) "Gross receipts" includes:

6 (a) any receipts from sales of tangible  
7 personal property handled on consignment;

8 (b) the total commissions or fees  
9 derived from the business of buying, selling or promoting the  
10 purchase, sale or leasing, as an agent or broker on a  
11 commission or fee basis, of any property, service, stock, bond  
12 or security;

13 (c) amounts paid by members of any  
14 cooperative association or similar organization for sales or  
15 leases of personal property or performance of services by such  
16 organization; and

17 (d) amounts received from transmitting  
18 messages or conversations by persons providing telephone or  
19 telegraph services.

20 (2) "Gross receipts" excludes:

21 (a) cash discounts allowed and taken;

22 (b) New Mexico gross receipts tax,  
23 governmental gross receipts tax and leased vehicle gross  
24 receipts tax payable on transactions for the reporting period;

25 (c) taxes imposed pursuant to the

Underscored material = new  
[bracketed material] = delete

1 provisions of any local option gross receipts tax that is  
2 payable on transactions for the reporting period;

3 (d) any gross receipts or sales taxes  
4 imposed by an Indian nation, tribe or pueblo; provided that  
5 the tax is approved, if approval is required by federal law or  
6 regulation, by the secretary of the interior of the United  
7 States; and provided further that the gross receipts or sales  
8 tax imposed by the Indian nation, tribe or pueblo provides a  
9 reciprocal exclusion for gross receipts, sales or gross  
10 receipts-based excise taxes imposed by the state or its  
11 political subdivisions;

12 (e) any type of time-price differential;  
13 and

14 (f) amounts received solely on behalf of  
15 another in a disclosed agency capacity.

16 (3) When the sale of property or service is  
17 made under any type of charge, conditional or time-sales  
18 contract or the leasing of property is made under a leasing  
19 contract, the seller or lessor may elect to treat all  
20 receipts, excluding any type of time-price differential, under  
21 such contracts as gross receipts as and when the payments are  
22 actually received. If the seller or lessor transfers his  
23 interest in any such contract to a third person, the seller or  
24 lessor shall pay the gross receipts tax upon the full sale or  
25 leasing contract amount, excluding any type of time-price

1 differential;

2 G. "manufacturing" means combining or processing  
3 components or materials to increase their value for sale in  
4 the ordinary course of business, but does not include  
5 construction;

6 H. "person" means:

7 (1) any individual, estate, trust, receiver,  
8 cooperative association, club, corporation, company, firm,  
9 partnership, limited liability company, limited liability  
10 partnership, joint venture, syndicate or other entity,  
11 including any gas, water or electric utility owned or operated  
12 by a county, municipality or other political subdivision of  
13 the state; or

14 (2) any national, federal, state, Indian or  
15 other governmental unit or subdivision, or any agency,  
16 department or instrumentality of any of the foregoing;

17 I. "property" means real property, tangible  
18 personal property, licenses, franchises, patents, trademarks  
19 and copyrights. Tangible personal property includes  
20 electricity and manufactured homes;

21 J. "leasing" means any arrangement whereby, for a  
22 consideration, property is employed for or by any person other  
23 than the owner of the property, except that the granting of a  
24 license to use property is the sale of a license and not a  
25 lease;



Underscored material = new  
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1           K. "service" means all activities engaged in for  
2 other persons for a consideration, which activities involve  
3 predominantly the performance of a service as distinguished  
4 from selling or leasing property. "Service" includes  
5 activities performed by a person for its members or  
6 shareholders. In determining what is a service, the intended  
7 use, principal objective or ultimate objective of the  
8 contracting parties shall not be controlling. "Service"  
9 includes construction activities and all tangible personal  
10 property that will become an ingredient or component part of a  
11 construction project. Such tangible personal property retains  
12 its character as tangible personal property until it is  
13 installed as an ingredient or component part of a construction  
14 project in New Mexico. However, sales of tangible personal  
15 property that will become an ingredient or component part of a  
16 construction project to persons engaged in the construction  
17 business are sales of tangible personal property;

18           L. "use" or "using" includes use, consumption or  
19 storage other than storage for subsequent sale in the ordinary  
20 course of business or for use solely outside this state;

21           M. "secretary" means the secretary of taxation and  
22 revenue or the secretary's delegate;

23           N. "manufactured home" means a [~~moveable~~] movable  
24 or portable housing structure for human occupancy that exceeds  
25 either a width of eight feet or a length of forty feet

Underscored material = new  
[bracketed material] = delete

1 constructed to be towed on its own chassis and designed to be  
2 installed with or without a permanent foundation;

3 0. "initial use" or "initially used" means the  
4 first employment for the intended purpose and does not include  
5 the following activities:

6 (1) observation of tests conducted by the  
7 performer of services;

8 (2) participation in progress reviews,  
9 briefings, consultations and conferences conducted by the  
10 performer of services;

11 (3) review of preliminary drafts, drawings  
12 and other materials prepared by the performer of the services;

13 (4) inspection of preliminary prototypes  
14 developed by the performer of services; or

15 (5) similar activities;

16 P. "research and development services" means any  
17 activity engaged in for other persons for consideration, for  
18 one or more of the following purposes:

19 (1) advancing basic knowledge in a  
20 recognized field of natural science;

21 (2) advancing technology in a field of  
22 technical endeavor;

23 (3) the development of a new or improved  
24 product, process or system with new or improved function,  
25 performance, reliability or quality, whether or not the new or

Underscored material = new  
[bracketed material] = delete

1 improved product, process or system is offered for sale, lease  
2 or other transfer;

3 (4) the development of new uses or  
4 applications for an existing product, process or system,  
5 whether or not the new use or application is offered as the  
6 rationale for purchase, lease or other transfer of the  
7 product, process or system;

8 (5) analytical or survey activities  
9 incorporating technology review, application, trade-off study,  
10 modeling, simulation, conceptual design or similar activities,  
11 whether or not offered for sale, lease or other transfer; or

12 (6) the design and development of prototypes  
13 or the integration of systems incorporating advances,  
14 developments or improvements included in Paragraphs (1)  
15 through (5) of this subsection; [ and]

16 Q. "local option gross receipts tax" means a tax  
17 authorized to be imposed by a county or municipality upon the  
18 taxpayer's gross receipts and required to be collected by the  
19 department at the same time and in the same manner as the  
20 gross receipts tax; "local option gross receipts tax" includes  
21 the taxes imposed pursuant to the Municipal Local Option Gross  
22 Receipts Taxes Act, Supplemental Municipal Gross Receipts Tax  
23 Act, Special Municipal Gross Receipts Tax Act, County Local  
24 Option Gross Receipts Taxes Act, Local Hospital Gross Receipts  
25 Tax Act, County Correctional Facility Gross Receipts Tax Act

Underscored material = new  
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1 and such other acts as may be enacted authorizing counties or  
2 municipalities to impose taxes on gross receipts, which taxes  
3 are to be collected by the department; and

4 R. "prescription drugs" means insulin and  
5 substances that are:

6 (1) dispensed by or under the supervision of  
7 a licensed pharmacist or by a physician or other person  
8 authorized under state law to do so;

9 (2) prescribed for a specified person by a  
10 person authorized under state law to prescribe the substance;  
11 and

12 (3) subject to the restrictions on sale  
13 contained in Subparagraph 1 of Subsection (b) of 21 USCA 353. "

14 Section 4. A new section of the Gross Receipts and  
15 Compensating Tax Act is enacted to read:

16 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX AND  
17 GOVERNMENTAL GROSS RECEIPTS TAX--PRESCRIPTION DRUGS.--Receipts  
18 from the sale of prescription drugs may be deducted from gross  
19 receipts and governmental gross receipts. "

20 Section 5. REPEAL.--Section 7-2-18.3 NMSA 1978 (being  
21 Laws 1994, Chapter 5, Section 17) is repealed.

22 Section 6. APPLICABILITY.--

23 A. The provisions of Sections 1 and 2 of this act  
24 apply to taxable years beginning on or after January 1, 1998.

25 B. The provisions of Section 5 of this act apply

1 to taxable years beginning on or after January 1, 1999.

2 Section 7. EFFECTIVE DATE. --The effective date of the  
3 provisions of Sections 3 and 4 of this act is January 1, 1999.

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Underscored material = new  
[bracketed material] = delete

1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998  
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4  
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6 January 22, 1998  
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8 Mr. President:  
9

10 Your COMMITTEES' COMMITTEE, to whom has been referred  
11

12 SENATE 20  
13

14 has had it under consideration and finds same to be GERMANE, in  
15 accordance with constitutional provisions, and thence referred to  
16 the WAYS & MEANS COMMITTEE.  
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18  
19 Respectfully submitted,  
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25 \_\_\_\_\_  
Manny M. Aragon, Chairman

Underscored material = new  
[bracketed material] = delete

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

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(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

S0020CC1

1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998  
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4  
5

6 February 7, 1998  
7

8 Mr. President:  
9

10 Your WAYS AND MEANS COMMITTEE, to whom has been referred  
11

12 SENATE BILL 20 AND SENATE BILL 93  
13

14 has had them under consideration and reports same with recommendation  
15 that they DO NOT PASS, but that  
16

17  
18 SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR

19 SENATE BILLS 20 AND 93  
20

21 DO PASS, and thence referred to the FINANCE COMMITTEE.  
22

23 Respectfully submitted,  
24  
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\_\_\_\_\_  
Carlos R. Cisneros, Chairman

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Duran, Kidd, Leavell, Wilson

Absent: None

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Underscored material = new  
[bracketed material] = delete

SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR  
SENATE BILLS 20 AND 93

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

AN ACT

RELATING TO TAXATION; INCREASING AND EXPANDING ELIGIBILITY FOR  
LOW-INCOME TAX REBATES.

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

Section 1. Section 7-2-14 NMSA 1978 (being Laws 1972,  
Chapter 20, Section 2, as amended) is amended to read:

"7-2-14. LOW-INCOME COMPREHENSIVE TAX REBATE. --

A. Except as otherwise provided in Subsection B of  
this section, any resident who files an individual New Mexico  
income tax return and who is not a dependent of another  
individual may claim a tax rebate for a portion of state and  
local taxes to which the resident has been subject during the  
taxable year for which the return is filed. The tax rebate  
may be claimed even though the resident has no income taxable  
under the Income Tax Act. A husband and wife who file

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separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the tax rebate that would have been allowed on a joint return.

1           B. No claim for the tax rebate provided in this  
2 section shall be filed by a resident who was an inmate of a  
3 public institution for more than six months during the taxable  
4 year for which the tax rebate could be claimed or who was not  
5 physically present in New Mexico for at least six months  
6 during the taxable year for which the tax rebate could be  
7 claimed.

8           C. For the purposes of this section, the total  
9 number of exemptions for which a tax rebate may be claimed or  
10 allowed is determined by adding the number of federal  
11 exemptions allowable for federal income tax purposes for each  
12 individual included in the return who is domiciled in New  
13 Mexico plus two additional exemptions for each individual  
14 domiciled in New Mexico included in the return who is  
15 sixty-five years of age or older plus one additional exemption  
16 for each individual domiciled in New Mexico included in the  
17 return who, for federal income tax purposes, is blind plus one  
18 exemption for each minor child or stepchild of the resident  
19 who would be a dependent for federal income tax purposes if  
20 the public assistance contributing to the support of the child  
21 or stepchild was considered to have been contributed by the  
22 resident.

23           D. The tax rebate provided for in this section may  
24 be claimed in the amount shown in the following table:

25           Modified gross                      And the total number

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underscored material = new  
[bracketed material] = delete

**SWMC/SB 20 & 93**

1	income is:		of exemptions is:					
2	But Not							6 or
3	Over	Over	1	2	3	4	5	More
4	<del>[\$ 0</del>	<del>\$ 500</del>	<del>\$120</del>	<del>\$150</del>	<del>\$175</del>	<del>\$200</del>	<del>\$225</del>	<del>\$320</del>
5	<del>500</del>	<del>1,000</del>	<del>135</del>	<del>185</del>	<del>225</del>	<del>265</del>	<del>300</del>	<del>415</del>
6	<del>1,000</del>	<del>1,500</del>	<del>135</del>	<del>190</del>	<del>235</del>	<del>290</del>	<del>325</del>	<del>435</del>
7	<del>1,500</del>	<del>2,000</del>	<del>135</del>	<del>190</del>	<del>235</del>	<del>290</del>	<del>325</del>	<del>450</del>
8	<del>2,000</del>	<del>2,500</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>290</del>	<del>325</del>	<del>450</del>
9	<del>2,500</del>	<del>3,000</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>290</del>	<del>325</del>	<del>450</del>
10	<del>3,000</del>	<del>3,500</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>290</del>	<del>325</del>	<del>450</del>
11	<del>3,500</del>	<del>4,000</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>300</del>	<del>335</del>	<del>450</del>
12	<del>4,000</del>	<del>4,500</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>300</del>	<del>355</del>	<del>450</del>
13	<del>4,500</del>	<del>5,000</del>	<del>115</del>	<del>150</del>	<del>205</del>	<del>300</del>	<del>355</del>	<del>450</del>
14	<del>5,000</del>	<del>5,500</del>	<del>95</del>	<del>130</del>	<del>165</del>	<del>260</del>	<del>355</del>	<del>430</del>
15	<del>5,500</del>	<del>6,000</del>	<del>75</del>	<del>110</del>	<del>145</del>	<del>220</del>	<del>315</del>	<del>410</del>
16	<del>6,000</del>	<del>6,500</del>	<del>55</del>	<del>90</del>	<del>125</del>	<del>180</del>	<del>275</del>	<del>370</del>
17	<del>6,500</del>	<del>7,000</del>	<del>35</del>	<del>70</del>	<del>105</del>	<del>140</del>	<del>235</del>	<del>330</del>
18	<del>7,000</del>	<del>7,500</del>	<del>15</del>	<del>50</del>	<del>85</del>	<del>120</del>	<del>195</del>	<del>290</del>
19	<del>7,500</del>	<del>8,000</del>	<del>10</del>	<del>20</del>	<del>50</del>	<del>80</del>	<del>130</del>	<del>220</del>
20	<del>8,000</del>	<del>8,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>60</del>	<del>90</del>	<del>180</del>
21	<del>8,500</del>	<del>9,000</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>70</del>	<del>140</del>
22	<del>9,000</del>	<del>9,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>60</del>	<del>100</del>
23	<del>9,500</del>	<del>10,000</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>80</del>
24	<del>10,000</del>	<del>10,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>60</del>
25	<del>10,500</del>	<del>11,000</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>60</del>

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underscored material = new  
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1	<del>11,000</del>	<del>11,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>60</del>
2	<del>11,500</del>	<del>12,000</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
3	<del>12,000</del>	<del>12,500</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
4	<del>12,500</del>	<del>13,000</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
5	<del>13,000</del>	<del>13,500</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
6	<del>13,500</del>	<del>14,000</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del> ]
7	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 145</u>	<u>\$ 180</u>	<u>\$ 210</u>	<u>\$ 240</u>	<u>\$ 270</u>	<u>\$ 350</u>
8	<u>500</u>	<u>1,000</u>	<u>165</u>	<u>225</u>	<u>270</u>	<u>320</u>	<u>350</u>	<u>450</u>
9	<u>1,000</u>	<u>1,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>480</u>
10	<u>1,500</u>	<u>2,000</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
11	<u>2,000</u>	<u>2,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
12	<u>2,500</u>	<u>3,000</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
13	<u>3,000</u>	<u>3,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
14	<u>3,500</u>	<u>4,000</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
15	<u>4,000</u>	<u>4,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
16	<u>4,500</u>	<u>5,000</u>	<u>140</u>	<u>180</u>	<u>250</u>	<u>330</u>	<u>380</u>	<u>470</u>
17	<u>5,000</u>	<u>5,500</u>	<u>115</u>	<u>160</u>	<u>200</u>	<u>315</u>	<u>370</u>	<u>455</u>
18	<u>5,500</u>	<u>6,000</u>	<u>90</u>	<u>135</u>	<u>175</u>	<u>265</u>	<u>340</u>	<u>435</u>
19	<u>6,000</u>	<u>6,500</u>	<u>80</u>	<u>125</u>	<u>165</u>	<u>240</u>	<u>330</u>	<u>395</u>
20	<u>6,500</u>	<u>7,000</u>	<u>70</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>300</u>	<u>370</u>
21	<u>7,000</u>	<u>7,500</u>	<u>70</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>300</u>	<u>370</u>
22	<u>7,500</u>	<u>8,000</u>	<u>55</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>275</u>	<u>330</u>
23	<u>8,000</u>	<u>8,500</u>	<u>55</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>275</u>	<u>330</u>
24	<u>8,500</u>	<u>9,000</u>	<u>45</u>	<u>90</u>	<u>135</u>	<u>180</u>	<u>225</u>	<u>270</u>
25	<u>9,000</u>	<u>9,500</u>	<u>40</u>	<u>80</u>	<u>120</u>	<u>160</u>	<u>200</u>	<u>240</u>

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**SWMC/SB 20 & 93**

1	<b>9,500</b>	<b>10,000</b>	<b>40</b>	<b>80</b>	<b>120</b>	<b>160</b>	<b>200</b>	<b>240</b>
2	<b>10,000</b>	<b>10,500</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>
3	<b>10,500</b>	<b>11,000</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>
4	<b>11,000</b>	<b>11,500</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>
5	<b>11,500</b>	<b>12,000</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>
6	<b>12,000</b>	<b>12,500</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
7	<b>12,500</b>	<b>13,000</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
8	<b>13,000</b>	<b>13,500</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
9	<b>13,500</b>	<b>14,000</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
10	<b>14,000</b>	<b>14,500</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
11	<b>14,500</b>	<b>15,000</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
12	<b>15,000</b>	<b>15,500</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
13	<b>15,500</b>	<b>16,000</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
14	<b>16,000</b>	<b>16,500</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
15	<b>16,500</b>	<b>17,000</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
16	<b>17,000</b>	<b>17,500</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
17	<b>17,500</b>	<b>18,000</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120.</b>

E. If a taxpayer's modified gross income is zero, the taxpayer may claim a credit in the amount shown in the first row of the table appropriate for the taxpayer's number of exemptions.

F. The tax rebates provided for in this section may be deducted from the taxpayer's New Mexico income tax liability for the taxable year. If the tax rebates exceed the taxpayer's income tax liability, the excess shall be refunded

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1 to the taxpayer.

2 G. For purposes of this section, "dependent" means  
3 "dependent" as defined by Section 152 of the Internal Revenue  
4 Code of 1986, as that section may be amended or renumbered,  
5 but also includes any minor child or stepchild of the resident  
6 who would be a dependent for federal income tax purposes if  
7 the public assistance contributing to the support of the child  
8 or stepchild was considered to have been contributed by the  
9 resident. "

10 Section 2. APPLICABILITY. -- The provisions of this act  
11 apply to taxable years beginning on or after January 1, 1998.

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SENATE WAYS ~~SENATE BILL 20 AND 93~~ SUBSTITUTE FOR  
43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

AN ACT

RELATING TO TAXATION; INCREASING AND EXPANDING ELIGIBILITY FOR  
LOW-INCOME TAX REBATES.

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

Section 1. Section 7-2-14 NMSA 1978 (being Laws 1972,  
Chapter 20, Section 2, as amended) is amended to read:

"7-2-14. LOW-INCOME COMPREHENSIVE TAX REBATE. --

A. Except as otherwise provided in Subsection B of  
this section, any resident who files an individual New Mexico  
income tax return and who is not a dependent of another  
individual may claim a tax rebate for a portion of state and  
local taxes to which the resident has been subject during the  
taxable year for which the return is filed. The tax rebate  
may be claimed even though the resident has no income taxable  
under the Income Tax Act. A husband and wife who file

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separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the tax rebate that would have been allowed on a joint return.

1           B. No claim for the tax rebate provided in this  
2 section shall be filed by a resident who was an inmate of a  
3 public institution for more than six months during the taxable  
4 year for which the tax rebate could be claimed or who was not  
5 physically present in New Mexico for at least six months  
6 during the taxable year for which the tax rebate could be  
7 claimed.

8           C. For the purposes of this section, the total  
9 number of exemptions for which a tax rebate may be claimed or  
10 allowed is determined by adding the number of federal  
11 exemptions allowable for federal income tax purposes for each  
12 individual included in the return who is domiciled in New  
13 Mexico plus two additional exemptions for each individual  
14 domiciled in New Mexico included in the return who is  
15 sixty-five years of age or older plus one additional exemption  
16 for each individual domiciled in New Mexico included in the  
17 return who, for federal income tax purposes, is blind plus one  
18 exemption for each minor child or stepchild of the resident  
19 who would be a dependent for federal income tax purposes if  
20 the public assistance contributing to the support of the child  
21 or stepchild was considered to have been contributed by the  
22 resident.

23           D. The tax rebate provided for in this section may  
24 be claimed in the amount shown in the following table:

25           Modified gross                      And the total number

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SMMC/SB 20 & 93

1	income is:		of exemptions is:					6 or
2	But Not							
3	Over	Over	1	2	3	4	5	More
4	<del>[\$ 0</del>	<del>\$ 500</del>	<del>\$120</del>	<del>\$150</del>	<del>\$175</del>	<del>\$200</del>	<del>\$225</del>	<del>\$320</del>
5	<del>500</del>	<del>1,000</del>	<del>135</del>	<del>185</del>	<del>225</del>	<del>265</del>	<del>300</del>	<del>415</del>
6	<del>1,000</del>	<del>1,500</del>	<del>135</del>	<del>190</del>	<del>235</del>	<del>290</del>	<del>325</del>	<del>435</del>
7	<del>1,500</del>	<del>2,000</del>	<del>135</del>	<del>190</del>	<del>235</del>	<del>290</del>	<del>325</del>	<del>450</del>
8	<del>2,000</del>	<del>2,500</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>290</del>	<del>325</del>	<del>450</del>
9	<del>2,500</del>	<del>3,000</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>290</del>	<del>325</del>	<del>450</del>
10	<del>3,000</del>	<del>3,500</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>290</del>	<del>325</del>	<del>450</del>
11	<del>3,500</del>	<del>4,000</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>300</del>	<del>335</del>	<del>450</del>
12	<del>4,000</del>	<del>4,500</del>	<del>135</del>	<del>190</del>	<del>240</del>	<del>300</del>	<del>355</del>	<del>450</del>
13	<del>4,500</del>	<del>5,000</del>	<del>115</del>	<del>150</del>	<del>205</del>	<del>300</del>	<del>355</del>	<del>450</del>
14	<del>5,000</del>	<del>5,500</del>	<del>95</del>	<del>130</del>	<del>165</del>	<del>260</del>	<del>355</del>	<del>430</del>
15	<del>5,500</del>	<del>6,000</del>	<del>75</del>	<del>110</del>	<del>145</del>	<del>220</del>	<del>315</del>	<del>410</del>
16	<del>6,000</del>	<del>6,500</del>	<del>55</del>	<del>90</del>	<del>125</del>	<del>180</del>	<del>275</del>	<del>370</del>
17	<del>6,500</del>	<del>7,000</del>	<del>35</del>	<del>70</del>	<del>105</del>	<del>140</del>	<del>235</del>	<del>330</del>
18	<del>7,000</del>	<del>7,500</del>	<del>15</del>	<del>50</del>	<del>85</del>	<del>120</del>	<del>195</del>	<del>290</del>
19	<del>7,500</del>	<del>8,000</del>	<del>10</del>	<del>20</del>	<del>50</del>	<del>80</del>	<del>130</del>	<del>220</del>
20	<del>8,000</del>	<del>8,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>60</del>	<del>90</del>	<del>180</del>
21	<del>8,500</del>	<del>9,000</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>70</del>	<del>140</del>
22	<del>9,000</del>	<del>9,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>60</del>	<del>100</del>
23	<del>9,500</del>	<del>10,000</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>80</del>
24	<del>10,000</del>	<del>10,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>60</del>
25	<del>10,500</del>	<del>11,000</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>60</del>

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1	<del>11,000</del>	<del>11,500</del>	<del>10</del>	<del>20</del>	<del>30</del>	<del>40</del>	<del>50</del>	<del>60</del>
2	<del>11,500</del>	<del>12,000</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
3	<del>12,000</del>	<del>12,500</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
4	<del>12,500</del>	<del>13,000</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
5	<del>13,000</del>	<del>13,500</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del>
6	<del>13,500</del>	<del>14,000</del>	<del>5</del>	<del>10</del>	<del>15</del>	<del>20</del>	<del>25</del>	<del>30</del> ]
7	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 145</u>	<u>\$ 180</u>	<u>\$ 210</u>	<u>\$ 240</u>	<u>\$ 270</u>	<u>\$ 350</u>
8	<u>500</u>	<u>1,000</u>	<u>165</u>	<u>225</u>	<u>270</u>	<u>320</u>	<u>350</u>	<u>450</u>
9	<u>1,000</u>	<u>1,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>480</u>
10	<u>1,500</u>	<u>2,000</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
11	<u>2,000</u>	<u>2,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
12	<u>2,500</u>	<u>3,000</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
13	<u>3,000</u>	<u>3,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
14	<u>3,500</u>	<u>4,000</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
15	<u>4,000</u>	<u>4,500</u>	<u>165</u>	<u>230</u>	<u>290</u>	<u>350</u>	<u>390</u>	<u>495</u>
16	<u>4,500</u>	<u>5,000</u>	<u>140</u>	<u>180</u>	<u>250</u>	<u>330</u>	<u>380</u>	<u>470</u>
17	<u>5,000</u>	<u>5,500</u>	<u>115</u>	<u>160</u>	<u>200</u>	<u>315</u>	<u>370</u>	<u>455</u>
18	<u>5,500</u>	<u>6,000</u>	<u>90</u>	<u>135</u>	<u>175</u>	<u>265</u>	<u>340</u>	<u>435</u>
19	<u>6,000</u>	<u>6,500</u>	<u>80</u>	<u>125</u>	<u>165</u>	<u>240</u>	<u>330</u>	<u>395</u>
20	<u>6,500</u>	<u>7,000</u>	<u>70</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>300</u>	<u>370</u>
21	<u>7,000</u>	<u>7,500</u>	<u>70</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>300</u>	<u>370</u>
22	<u>7,500</u>	<u>8,000</u>	<u>55</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>275</u>	<u>330</u>
23	<u>8,000</u>	<u>8,500</u>	<u>55</u>	<u>110</u>	<u>165</u>	<u>220</u>	<u>275</u>	<u>330</u>
24	<u>8,500</u>	<u>9,000</u>	<u>45</u>	<u>90</u>	<u>135</u>	<u>180</u>	<u>225</u>	<u>270</u>
25	<u>9,000</u>	<u>9,500</u>	<u>40</u>	<u>80</u>	<u>120</u>	<u>160</u>	<u>200</u>	<u>240</u>

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**SWMC/SB 20 & 93**

1	<b>9,500</b>	<b>10,000</b>	<b>40</b>	<b>80</b>	<b>120</b>	<b>160</b>	<b>200</b>	<b>240</b>
2	<b>10,000</b>	<b>10,500</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>
3	<b>10,500</b>	<b>11,000</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>
4	<b>11,000</b>	<b>11,500</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>
5	<b>11,500</b>	<b>12,000</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>
6	<b>12,000</b>	<b>12,500</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
7	<b>12,500</b>	<b>13,000</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
8	<b>13,000</b>	<b>13,500</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
9	<b>13,500</b>	<b>14,000</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
10	<b>14,000</b>	<b>14,500</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
11	<b>14,500</b>	<b>15,000</b>	<b>25</b>	<b>50</b>	<b>75</b>	<b>100</b>	<b>125</b>	<b>150</b>
12	<b>15,000</b>	<b>15,500</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
13	<b>15,500</b>	<b>16,000</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
14	<b>16,000</b>	<b>16,500</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
15	<b>16,500</b>	<b>17,000</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
16	<b>17,000</b>	<b>17,500</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>
17	<b>17,500</b>	<b>18,000</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120.</b>

E. If a taxpayer's modified gross income is zero, the taxpayer may claim a credit in the amount shown in the first row of the table appropriate for the taxpayer's number of exemptions.

F. The tax rebates provided for in this section may be deducted from the taxpayer's New Mexico income tax liability for the taxable year. If the tax rebates exceed the taxpayer's income tax liability, the excess shall be refunded

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1 to the taxpayer.

2 G. For purposes of this section, "dependent" means  
3 "dependent" as defined by Section 152 of the Internal Revenue  
4 Code of 1986, as that section may be amended or renumbered,  
5 but also includes any minor child or stepchild of the resident  
6 who would be a dependent for federal income tax purposes if  
7 the public assistance contributing to the support of the child  
8 or stepchild was considered to have been contributed by the  
9 resident. "

10 Section 2. APPLICABILITY. -- The provisions of this act  
11 apply to taxable years beginning on or after January 1, 1998.

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**SWMC/SB 20 & 93**

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**FORTY-THIRD LEGISLATURE  
SECOND SESSION, 1998**

**February 17, 1998**

**Mr. President:**

**Your FINANCE COMMITTEE, to whom has been referred  
SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR  
SENATE BILLS 20 AND 93**

**has had it under consideration and reports same with  
recommendation that it DO PASS.**

**Respectfully submitted,**

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Ben D. Altamirano, Chairman

Adopted \_\_\_\_\_ Not

Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Carraro, Eisenstadt, Ingle, Lyons, McKibben

Absent: None

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SWMC/SB 20 & 93

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