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SENATE BILL 335

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

INTRODUCED BY

LEONARD LEE RAWSON

AN ACT

RELATING TO INCOME TAXATION; AMENDING TAX RATES FOR SURVIVING SPOUSES AND MARRIED INDIVIDUALS FILING JOINT RETURNS.

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:

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 \$ 20,000	\$ 384 plus 6.0% of
4		excess over \$ 12,000
5	Over \$ 20,000 but not over \$ 32,000	\$ 864 plus 7.1% of
6		excess over \$ 20,000
7	Over \$ 32,000 but not over \$ 50,000	\$ 1,716 plus 7.9% of
8		excess over \$ 32,000
9	Over \$ 50,000	\$ 3,138 plus 8.5% of
10		excess over \$ 50,000.

11 B. For surviving spouses and married individuals
12 filing joint returns:

13	If the taxable income is:	The tax shall be:
14	Not over [\$8,000] <u>\$11,000</u>	1.7% of taxable income
15	Over [\$8,000] <u>\$11,000</u>	
16	but not over [\$16,000] <u>\$19,000</u>	\$ 136 plus 3.2% of
17		excess over [\$8,000]
18		<u>\$11,000</u>
19	Over [\$16,000] <u>\$19,000</u>	
20	but not over [\$24,000] <u>\$26,000</u>	\$ 392 plus 4.7% of
21		excess over [\$16,000]
22		<u>\$19,000</u>
23	Over [\$24,000] <u>\$26,000</u>	
24	but not over [\$40,000] <u>\$41,000</u>	\$ 768 plus 6.0% of
25		excess over \$ [24,000]

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1		<u>\$26,000</u>
2	Over [\$ 40,000] <u>\$41,000</u>	
3	but not over [\$ 64,000] <u>\$65,000</u>	\$ 1,728 plus 7.1% of
4		excess over [\$40,000]
5		<u>\$41,000</u>
6	Over [\$ 64,000] <u>\$65,000</u>	
7	but not over \$100,000	\$ 3,432 plus 7.9% of
8		excess over [\$ 64,000]
9		<u>\$65,000</u>
10	Over \$100,000	\$ 6,276 plus 8.5% of
11		excess over \$100,000.

C. For single individuals and for estates and trusts:

If the taxable income is: The tax shall be:

14	Not over \$5,500	1.7% of taxable income
15	Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of
16		excess over \$ 5,500
17	Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of
18		excess over \$ 11,000
19	Over \$ 16,000 but not over \$ 26,000	\$ 504.50 plus 6.0% of
20		excess over \$ 16,000
21	Over \$ 26,000 but not over \$ 42,000	\$1,104.50 plus 7.1% of
22		excess over \$ 26,000
23	Over \$ 42,000 but not over \$ 65,000	\$2,240.50 plus 7.9% of
24		excess over \$ 42,000
25	Over \$ 65,000	\$4,057.50 plus 8.5% of

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1 excess over \$ 65,000.

2 D. For heads of household filing returns:

3 If the taxable income is: The tax shall be:

4 Not over \$7,000	1.7% of taxable income
5 Over \$ 7,000 but not over \$ 14,000	\$ 119 plus 3.2% of
6	excess over \$ 7,000
7 Over \$ 14,000 but not over \$ 20,000	\$ 343 plus 4.7% of
8	excess over \$ 14,000
9 Over \$ 20,000 but not over \$ 33,000	\$ 625 plus 6.0% of
10	excess over \$ 20,000
11 Over \$ 33,000 but not over \$ 53,000	\$1,405 plus 7.1% of
12	excess over \$ 33,000
13 Over \$ 53,000 but not over \$ 83,000	\$2,825 plus 7.9% of
14	excess over \$ 53,000
15 Over \$ 83,000	\$5,195 plus 8.5% of
16	excess over \$ 83,000.

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

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

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

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 February 5, 1998
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8 Mr. President:
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10 Your COMMITTEES' COMMITTEE, to whom has been referred
11

12 SENATE BILL 335
13

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

Adopted _____ Not Adopted _____

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(Chief Clerk)

(Chief Clerk)

Date _____

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