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SENATE BILL 210

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Linda M. Lopez

AN ACT

RELATING TO TAXATION; INCREASING INCOME TAX RATES FOR HIGH-INCOME INDIVIDUALS AND COUPLES.

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) 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, [~~2008~~] 2010:

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
Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of

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1 excess over \$ 8,000
2 Over \$ 12,000 but not over \$100,000 \$ 384 plus 4.9% of
3 excess over \$ 12,000
4 Over \$100,000 \$4,696 plus 5.9% of
5 excess over \$100,000.

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

8	If the taxable income is:	The tax shall be:
9	Not over \$8,000	1.7% of taxable income
10	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of
11		excess over \$ 8,000
12	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of
13		excess over \$ 16,000
14	Over \$ 24,000 <u>but not over \$100,000</u>	\$ 768 plus 4.9% of
15		excess over \$ 24,000
16	<u>Over \$100,000</u>	<u>\$4,492 plus 5.9% of</u>
17		<u>excess over \$100,000.</u>

18 C. For single individuals and for estates and
19 trusts:

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

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1 Over \$ 16,000 but not over \$100,000 \$ 504.50 plus 4.9% of
2 excess over \$ 16,000
3 Over \$100,000 \$4,620.50 plus 5.9% of
4 excess over \$100,000.

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

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

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

14 Section 2. APPLICABILITY.--The provisions of this act
15 apply to taxable years beginning on or after January 1, 2010.

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