

HOUSE BILL 249

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; PROVIDING FOR THE INDEXING OF ADJUSTED GROSS INCOME FOR SOCIAL SECURITY INCOME PURSUANT TO THE INCOME TAX ACT.

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

SECTION 1. Section 7-2-5.14 NMSA 1978 (being Laws 2022, Chapter 47, Section 7) is amended to read:

"7-2-5.14. EXEMPTION--SOCIAL SECURITY INCOME.--

A. An individual may claim an exemption in an amount equal to the amount included in adjusted gross income pursuant to Section 86 of the Internal Revenue Code, as that section may be amended or renumbered, of income includable except for this exemption in net income; provided that the individual's adjusted gross income shall not exceed the following amounts, except as provided in Subsection B of this

.226414.1

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1 section:

2 [A.] (1) seventy-five thousand dollars
3 (\$75,000) for married individuals filing separate returns;

4 [B.] (2) one hundred fifty thousand dollars
5 (\$150,000) for heads of household, surviving spouses and
6 married individuals filing joint returns; and

7 [C.] (3) one hundred thousand dollars
8 (\$100,000) for single individuals.

9 B. For the 2025 taxable year and each subsequent
10 taxable year, the amounts of adjusted gross income provided in
11 Subsection A of this section shall be adjusted to account for
12 inflation. The department shall make the adjustment by
13 multiplying each amount of modified gross income by a fraction,
14 the numerator of which is the consumer price index ending
15 during the prior taxable year and the denominator of which is
16 the consumer price index ending in tax year 2023. The result
17 of the multiplication shall be rounded down to the nearest one
18 hundred dollars (\$100), except that if the result would be an
19 amount less than the corresponding amount for the preceding
20 taxable year, then no adjustment shall be made."

21 SECTION 2. APPLICABILITY.--The provisions of this act
22 apply to taxable years beginning on or after January 1, 2024.