HOUSE BILL 81

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; PROVIDING FOR THE INDEXING OF MODIFIED
GROSS INCOME FOR PURPOSES OF DETERMINING THE AMOUNT OF LOW-
INCOME COMPREHENSIVE TAX REBATE.

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

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1   the Income Tax Act. Married individuals who file separate

2   returns for a taxable year in which they could have filed a

3   joint return may each claim only one-half of the tax rebate

4   that would have been allowed on a joint return.

5   B. No claim for the tax rebate provided in this

6   section shall be filed by a resident who was an inmate of a

7   public institution for more than six months during the taxable

8   year for which the tax rebate could be claimed or who was not

9   physically present in New Mexico for at least six months during

10   the taxable year for which the tax rebate could be claimed.

11   C. For the purposes of this section, the total

12   number of exemptions for which a tax rebate may be claimed or

13   allowed is determined by adding the number of federal

14   exemptions allowable for federal income tax purposes for each

15   individual included in the return who is domiciled in New

16   Mexico plus two additional exemptions for each individual

17   domiciled in New Mexico included in the return who is sixty-

18   five years of age or older plus one additional exemption for

19   each individual domiciled in New Mexico included in the return

20   who, for federal income tax purposes, is blind plus one

21   exemption for each minor child or stepchild of the resident who

22   would be a dependent for federal income tax purposes if the

23   public assistance contributing to the support of the child or

24   stepchild was considered to have been contributed by the

25   resident.

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D. Except as provided in [Subsection F] Subsections F and G of this section, the tax rebate provided for in this section may be claimed in the amount shown in the following table:

Modified gross income is:		And the total number of exemptions is:					
Over	But Not Over	1	2	3	4	5	6 or More
[$ 0	$ 1,000	$ 195	$ 260	$ 325	$ 390	$ 455	$ 520
1,000	1,500	220	315	405	505	570	675
1,500	2,500	220	315	405	505	570	705
2,500	7,500	220	315	405	505	570	730
7,500	8,000	205	310	390	495	575	730
8,000	9,000	185	285	375	480	575	700
9,000	10,000	170	250	340	425	510	665
10,000	11,500	145	210	275	360	445	600
11,500	13,000	130	185	235	295	365	480
13,000	14,500	115	170	220	275	315	390
14,500	16,500	105	155	185	235	285	335
16,500	18,000	100	130	165	210	250	300
18,000	19,500	90	115	145	180	220	260
19,500	21,000	80	105	140	165	185	230
21,000	23,000	80	105	140	165	185	230
23,000	24,500	75	100	120	145	170	195
24,500	26,000	65	90	115	140	155	180

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1	26,000	27,500	55	80	105	130	140	170
2	27,500	29,500	50	75	100	115	130	155
3	29,500	31,000	40	55	80	100	115	130
4	31,000	32,500	35	50	65	80	100	105
5	32,500	34,000	25	40	50	65	80	90
6	34,000	36,000	15	35	40	55	65	75]
7	$ 0	$ 1,000	$ 210	$ 280	$ 350	$ 420	$ 490	$ 560
8	1,000	1,500	240	340	435	545	615	730
9	1,500	2,500	240	340	435	545	615	760
10	2,500	8,000	240	340	435	545	615	790
11	8,000	8,500	220	335	420	535	620	790
12	8,500	9,500	200	310	405	520	620	755
13	9,500	11,000	185	270	365	460	550	720
14	11,000	12,500	155	225	295	390	480	650
15	12,500	14,000	140	200	255	320	395	520
16	14,000	15,500	125	185	240	295	340	420
17	15,500	18,000	115	165	200	255	310	360
18	18,000	19,500	110	140	180	225	270	325
19	19,500	21,000	95	125	155	195	240	280
20	21,000	22,500	85	115	150	180	200	250
21	22,500	25,000	85	115	150	180	200	250
22	25,000	26,500	80	110	130	155	185	210
23	26,500	28,000	70	95	125	150	165	195
24	28,000	29,500	60	85	115	140	150	185
25	29,500	32,000	55	80	110	125	140	165

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32,000	33,500	45	60	85	110	125	140
33,500	35,000	40	55	70	85	110	115
35,000	36,500	25	45	55	70	85	95
36,500	39,000	15	40	45	60	70	80.

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 as adjusted by the provisions of Subsection F of this section.

F.   For the [2022] 2024 taxable year and each subsequent taxable year, the amount of rebate shown in the table in Subsection D of this section shall be adjusted to account for inflation.   The department shall make the adjustment by multiplying each amount of rebate by a fraction, the numerator of which is the consumer price index ending during the prior taxable year and the denominator of which is the consumer price index ending in tax year [2021] 2023.   The result of the multiplication shall be rounded down to the nearest one dollar ($1.00), except that if the result would be an amount less than the corresponding amount for the preceding taxable year, then no adjustment shall be made.

G.   For the 2024 taxable year and each subsequent taxable year, the amount of modified gross income shown in the table in Subsection D of this section shall be adjusted to account for inflation.   The department shall make the

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adjustment by multiplying each amount of modified gross income

by a fraction, the numerator of which is the consumer price

index ending during the prior taxable year and the denominator

of which is the consumer price index ending in tax year 2023.

The result of the multiplication shall be rounded down to the

nearest one hundred dollars ($100), except that if the result

would be an amount less than the corresponding amount for the

preceding taxable year, then no adjustment shall be made.

[G.] H. 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 to the taxpayer.

[H.] I. For purposes of this section:

(1) "consumer price index" means the consumer

price index for all urban consumers published by the United

States department of labor for the month ending September 30;

and

(2) "dependent" means "dependent" as defined

by Section 152 of the Internal Revenue Code of 1986, as that

section may be amended or renumbered, but also includes any

minor child or stepchild of the resident who would be a

dependent for federal income tax purposes if the public

assistance contributing to the support of the child or

stepchild was considered to have been contributed by the

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resident."

SECTION 2. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2023.

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