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HOUSE BILL 9

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

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO REVENUE; IMPOSING A SURTAX FOR THREE YEARS ON  
CERTAIN PERSONAL INCOME.

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--SURTAX--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:

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 \$ 384 plus 4.9% of  
4 excess over \$ 12,000.

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

7 If the taxable income is: The tax shall be:  
8 Not over \$8,000 1.7% of taxable income  
9 Over \$ 8,000 but not over \$ 16,000 \$ 136 plus 3.2% of  
10 excess over \$ 8,000  
11 Over \$ 16,000 but not over \$ 24,000 \$ 392 plus 4.7% of  
12 excess over \$ 16,000  
13 Over \$ 24,000 \$ 768 plus 4.9% of  
14 excess over \$ 24,000.

15 C. For single individuals and for estates and  
16 trusts:

17 If the taxable income is: The tax shall be:  
18 Not over \$5,500 1.7% of taxable income  
19 Over \$ 5,500 but not over \$ 11,000 \$ 93.50 plus 3.2% of  
20 excess over \$ 5,500  
21 Over \$ 11,000 but not over \$ 16,000 \$ 269.50 plus 4.7% of  
22 excess over \$ 11,000  
23 Over \$ 16,000 \$ 504.50 plus 4.9% of  
24 excess over \$ 16,000.

25 D. The tax on the sum of any lump-sum amounts

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1 included in net income is an amount equal to five multiplied by  
2 the difference between:

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

5 (2) the amount of tax that would be due on an  
6 amount equal to the taxpayer's taxable income and twenty  
7 percent of the taxpayer's lump-sum amounts included in net  
8 income.

9 E. For taxable years that begin on or after January  
10 1, 2010 but before December 31, 2012, the tax imposed by  
11 Section 7-2-3 NMSA 1978 is increased by a surtax imposed at the  
12 rate of one percent on taxable income in excess of:

13 (1) one hundred thousand dollars (\$100,000)  
14 for married individuals filing separate returns;

15 (2) two hundred thousand dollars (\$200,000)  
16 for heads of household, surviving spouses and married  
17 individuals filing joint returns; or

18 (3) one hundred thirty-three thousand dollars  
19 (\$133,000) for single individuals and for estates and trusts."

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