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SENATE BILL 98

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Bill B. O'Neill

AN ACT

RELATING TO TAXATION; ADDING NEW UPPER-TIER PERSONAL INCOME TAX
BRACKETS.

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~~] 2020:

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 \$187,500 \$384 plus 4.9% of
3 excess over \$12,000
4 Over \$187,500 \$8,983.50 plus 8.2% of
5 excess over \$187,500.

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 but not over \$375,000 \$768 plus 4.9% of
15 excess over \$24,000
16 Over \$375,000 \$17,967 plus 8.2% of
17 excess over \$375,000.

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 \$250,000 \$504.50 plus 4.9% of
2 excess over \$16,000
3 Over \$250,000 \$11,970.50 plus 8.2% of
4 excess over \$250,000.

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. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is January 1, 2020.