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HOUSE BILL 324

**53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

INTRODUCED BY

Antonio "Moe" Maestas

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~~] is 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 [ <del>shall be</del> ] <u>is</u> :
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

.206740.1

1 excess over \$8,000  
2 Over \$12,000 but not over \$109,091 \$384 plus 4.9% of excess  
3 over \$12,000  
4 Over \$109,091 \$5,141.46 plus 5.9% of  
5 excess over \$109,091.

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]~~ is:  
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 \$218,182 \$768 plus 4.9% of  
15 excess over \$24,000  
16 Over \$218,182 \$10,282.92 plus 5.9% of  
17 excess over \$218,182.

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

20 If the taxable income is: The tax ~~[shall be]~~ is:  
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

1 Over \$16,000 but not over \$150,000 \$504.50 plus 4.9% of  
2 excess over \$16,000  
3 over \$150,000 \$7,070.50 plus 5.9% of  
4 excess over \$150,000.

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, 2018.