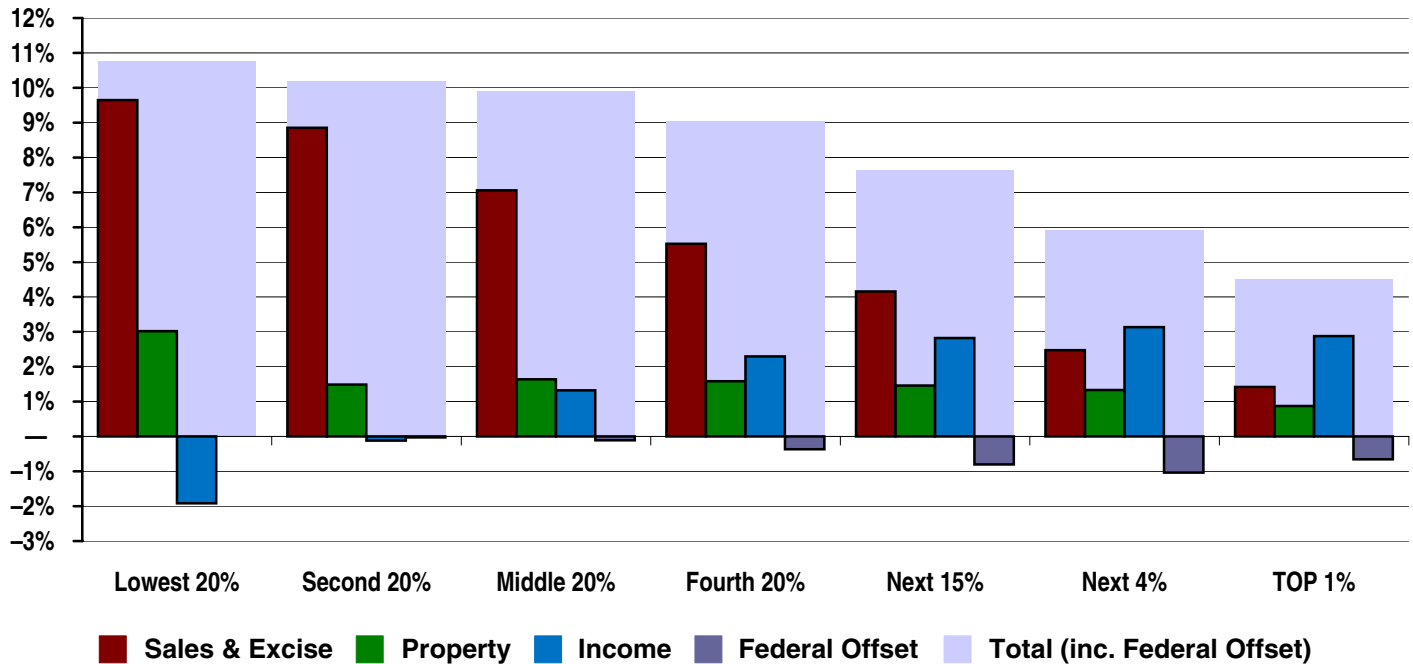


# New Mexico

## State & Local Taxes in 2007

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$16,000	\$16,000 – \$29,000	\$29,000 – \$45,000	\$45,000 – \$77,000	\$77,000 – \$148,000	\$148,000 – \$395,000	\$395,000 or more
Average Income in Group	\$9,900	\$22,300	\$35,700	\$59,100	\$103,200	\$211,900	\$1,032,100
<b>Sales &amp; Excise Taxes</b>	<b>9.6%</b>	<b>8.9%</b>	<b>7.1%</b>	<b>5.5%</b>	<b>4.2%</b>	<b>2.5%</b>	<b>1.4%</b>
General Sales—Individuals	5.6%	5.3%	4.3%	3.5%	2.6%	1.6%	0.9%
Other Sales & Excise—Ind.	0.9%	0.6%	0.5%	0.3%	0.2%	0.1%	0.0%
Sales & Excise on Business	3.2%	2.9%	2.3%	1.7%	1.3%	0.8%	0.4%
<b>Property Taxes</b>	<b>3.0%</b>	<b>1.5%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.3%</b>	<b>0.9%</b>
Property Taxes on Families	3.0%	1.4%	1.6%	1.5%	1.4%	1.1%	0.4%
Other Property Taxes	0.0%	0.0%	0.1%	0.0%	0.1%	0.2%	0.5%
<b>Income Taxes</b>	<b>-1.9%</b>	<b>-0.1%</b>	<b>1.3%</b>	<b>2.3%</b>	<b>2.8%</b>	<b>3.1%</b>	<b>2.9%</b>
Personal Income Tax	-1.9%	-0.1%	1.3%	2.3%	2.8%	3.0%	2.5%
Corporate Income Tax	0.0%	0.0%	0.1%	0.0%	0.1%	0.2%	0.4%
<b>TOTAL TAXES</b>	<b>10.8%</b>	<b>10.2%</b>	<b>10.0%</b>	<b>9.4%</b>	<b>8.4%</b>	<b>6.9%</b>	<b>5.2%</b>
Federal Deduction Offset	—	-0.0%	-0.1%	-0.4%	-0.8%	-1.0%	-0.7%
<b>TOTAL AFTER OFFSET</b>	<b>10.8%</b>	<b>10.2%</b>	<b>9.9%</b>	<b>9.0%</b>	<b>7.6%</b>	<b>5.9%</b>	<b>4.5%</b>

Note: Table shows 2007 tax law updated to reflect permanent changes in law enacted through October 2009.

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# New Mexico

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## State & Local Taxes

### Features, Developments, and Comparisons

#### *Progressive Features*

- ✓ Income tax uses a graduated rate structure
- ✓ Provides a refundable earned income tax credit (EITC)
- ✓ Provides a refundable low-income tax credit

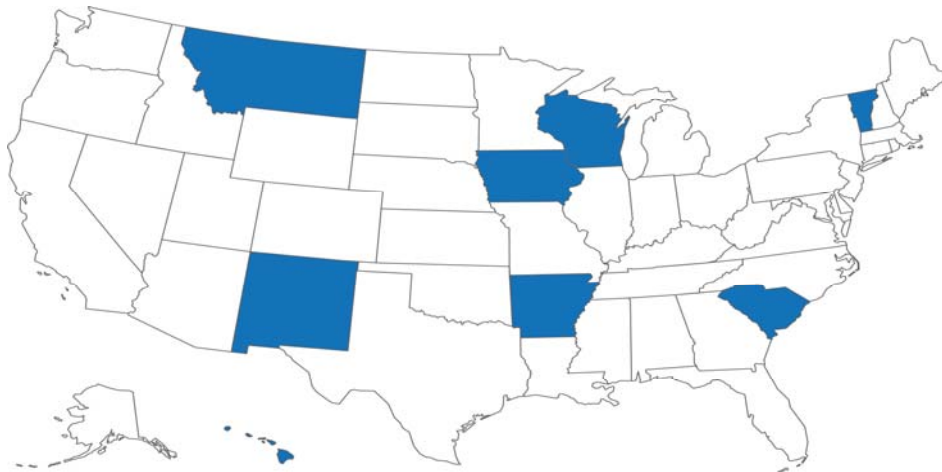
#### *Regressive Features*

- ✗ Provides an income tax exclusion equal to at least half of capital gains income
- ✗ Comparatively high reliance on gross receipts taxes

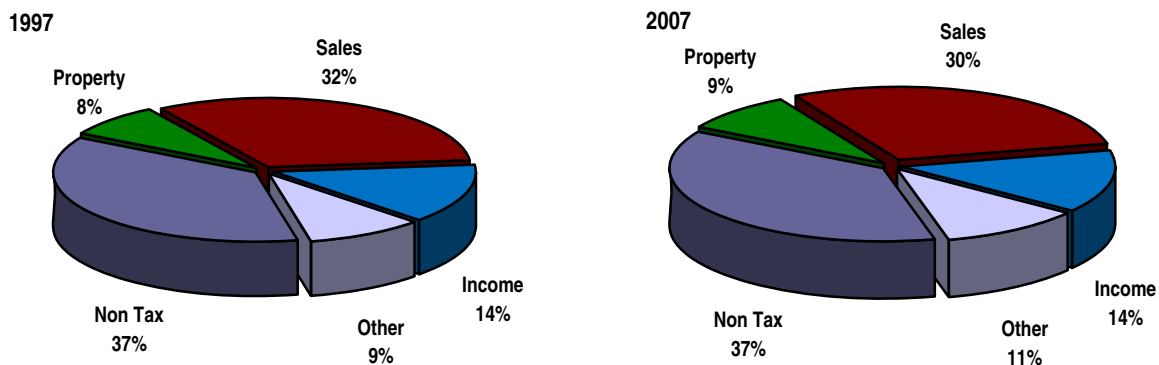
#### *Recent Developments*

- ▲ Diminished the progressivity of its income tax by reducing tax rates for upper-income taxpayers
- ▲ Created a refundable EITC equal to 10 percent of the federal credit
- ▲ Adopted targeted personal income tax exemption for middle-income taxpayers

#### *States with Notable Capital Gains Income Tax Preferences*



#### *Change in the Composition of Revenue*



Source: U.S. Census Bureau, Government Finances