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HOUSE BILL 233

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Terry T. Marquardt

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT FOR
TUIITION PAYMENTS AT ACCREDITED PRIVATE ELEMENTARY AND SECONDARY
SCHOOLS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted
to read:

"NEW MATERIAL SCHOOL CHOICE TAX CREDIT. --

A. A taxpayer who files an individual New Mexico
income tax return and is not a dependent of another taxpayer
may claim a credit for tuition payments made by the taxpayer
for a dependent who is enrolled in an accredited private
elementary or secondary school in New Mexico. The credit may
be claimed in an amount equal to the tuition paid during the
taxable year for which the credit is claimed not to exceed

1 three thousand dollars (\$3,000) for each eligible dependent.
2 The credit provided in this section shall be known as the
3 "school choice tax credit".

4 B. A husband and wife who file separate returns for
5 a taxable year in which they could have filed a joint return
6 may each claim only one-half of the school choice tax credit
7 that would have been allowed on a joint return.

8 C. The credit provided in this section may be
9 deducted from the taxpayer's New Mexico income tax liability
10 for the taxable year. If the credit exceeds the taxpayer's
11 income tax liability, the excess shall be refunded to the
12 taxpayer.

13 D. Receipt of a tax credit pursuant to this section
14 for tuition payments made to a private school does not
15 authorize state involvement or entanglement with religious
16 instruction or other operations of the private school.

17 E. For the purposes of this section, "dependent"
18 means "dependent" as defined in Section 152 of the Internal
19 Revenue Code. "

20 Section 2. APPLICABILITY. -- The provisions of this act
21 apply to taxable years beginning on or after January 1, 2005.