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SENATE BILL 33

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

INTRODUCED BY

Joseph J. Carraro

AN ACT

RELATING TO TAXATION; CREATING AN INCOME TAX CREDIT FOR
DONATIONS TO THE NEW MEXICO MILITARY INSTITUTE SCHOLARSHIP
FUND; CREATING THE NEW MEXICO MILITARY INSTITUTE SCHOLARSHIP
FUND; MAKING AN APPROPRIATION.

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] NEW MEXICO MILITARY INSTITUTE SCHOLARSHIP
DONATION CREDIT.--

A. A taxpayer who files a New Mexico income tax
return, who is not a dependent of another taxpayer and who
makes a donation to the New Mexico military institute
scholarship fund may claim a credit in an amount not to exceed
one-half of the donation made during the taxable year for which
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1 the return is filed. The tax credit shall be known as the "New
2 Mexico military institute scholarship donation credit". The
3 total value of New Mexico military institute scholarship
4 donation credits permitted by the department shall not exceed
5 two hundred fifty thousand dollars (\$250,000) for a taxable
6 year.

7 B. To claim the New Mexico military institute
8 scholarship donation credit, a taxpayer shall submit to the
9 department the certificate of eligibility issued by the New
10 Mexico military institute pursuant to Subsection C of this
11 section and any other information the department may require to
12 determine the amount of the tax credit due the taxpayer.

13 C. A taxpayer may request a certificate of
14 eligibility for the New Mexico military institute scholarship
15 donation credit from the New Mexico military institute in an
16 amount not to exceed one-half of a donation made by the
17 taxpayer to the New Mexico military institute scholarship fund
18 during the taxable year. The taxpayer shall submit with the
19 request proof satisfactory to the institute of the donation.
20 If the sum of the taxpayer's claim and the total value of
21 certificates of eligibility issued by the New Mexico military
22 institute for the taxable year does not exceed two hundred
23 fifty thousand dollars (\$250,000), the New Mexico military
24 institute shall issue to the taxpayer a certificate of
25 eligibility in an amount equal to the taxpayer's claim. If the

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1 sum of the taxpayer's claim and the total value of the
2 certificates of eligibility issued by the New Mexico military
3 institute for the taxable year exceeds two hundred fifty
4 thousand dollars (\$250,000), the institute shall issue to the
5 taxpayer a certificate of eligibility equal to two hundred
6 fifty thousand dollars (\$250,000) minus the total value of the
7 certificates of eligibility issued by the institute for the
8 taxable year. Requests for certificates of eligibility shall
9 be considered in the order received.

10 D. The New Mexico military institute scholarship
11 donation credit shall not be allowed for a contribution that is
12 included in the taxpayer's itemized deductions, as defined in
13 Section 63 of the Internal Revenue Code, for the taxable year.

14 E. A husband and wife who file separate returns for
15 a taxable year in which they could have filed a joint return
16 may each claim only one-half of the New Mexico military
17 institute scholarship donation credit that would have been
18 allowed on a joint return.

19 F. The New Mexico military institute scholarship
20 donation credit provided in this section may only be deducted
21 from the taxpayer's New Mexico income tax liability for the
22 taxable year in which the contribution is made."

23 Section 2. [NEW MATERIAL] NEW MEXICO MILITARY INSTITUTE
24 SCHOLARSHIP FUND.--The "New Mexico military institute
25 scholarship fund" is created in the state treasury. The fund

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1 shall consist of appropriations, gifts, grants, donations and
2 bequests. Money in the fund is appropriated to the board of
3 regents of the New Mexico military institute to provide
4 scholarships to students under the age of eighteen with
5 preference given to students who have a parent or legal
6 guardian imprisoned in a New Mexico correctional facility.
7 Money in the fund shall not revert to the general fund at the
8 end of a fiscal year.

9 Section 3. APPLICABILITY.--The provisions of this act
10 apply to taxable years beginning on or after January 1, 2005.

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