

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 659

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Shannon Robinson

AN ACT

RELATING TO TAXATION; PROVIDING FOR AN INCOME TAX CREDIT FOR
LOW-INCOME NEW MEXICO RESIDENTS FOR MOTOR VEHICLE LIABILITY
INSURANCE COVERAGE.

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] MOTOR VEHICLE LIABILITY INSURANCE TAX
CREDIT--LOW-INCOME RESIDENTS.--

A. Except as otherwise provided in this section, a
resident who files an individual New Mexico income tax return,
who is not a dependent of another taxpayer and who meets the
eligibility requirements of Subsection C of this section may
claim a credit in an amount not to exceed one hundred fifty
dollars (\$150) of motor vehicle liability insurance coverage

underscored material = new
[bracketed material] = delete

underscoring material = new
[bracketed material] = delete

1 required by the Mandatory Financial Responsibility Act for
2 which the resident paid for each motor vehicle registered to a
3 member of the resident's household. The tax credit provided by
4 this section may be referred to as the "motor vehicle liability
5 insurance tax credit".

6 B. A resident shall not claim motor vehicle
7 liability insurance tax credits for motor vehicle liability
8 insurance coverage paid for more than:

9 (1) one motor vehicle if the resident does not
10 have any dependents;

11 (2) two motor vehicles if the resident has a
12 dependent that meets the eligibility requirements of Subsection
13 C of this section; or

14 (3) two motor vehicles if the resident files a
15 joint return.

16 C. Only residents whose gross annual household
17 income for the taxable year does not exceed one hundred fifty
18 percent of the federal poverty guidelines for the household are
19 eligible for the motor vehicle liability insurance tax credit.
20 In addition, a resident who wishes to claim the motor vehicle
21 liability insurance tax credit shall apply to the motor vehicle
22 division of the department for a certificate of eligibility for
23 each member of the resident's household who drives an insured
24 motor vehicle registered to the member. The certificate shall
25 be issued to the resident for each member of the household who:

.161488.1

1 (1) is a United States citizen and New Mexico
2 full-time resident;

3 (2) has a valid New Mexico driver's license
4 and has not had more than one moving violation within the past
5 thirty-six months;

6 (3) has not had a conviction for driving while
7 under the influence of alcohol or drugs during the past thirty-
8 six months; and

9 (4) provides satisfactory proof that each
10 motor vehicle registered to a member of the household has been
11 insured during the taxable year, or portion of the taxable year
12 if the motor vehicle was purchased during the taxable year, by
13 an insurance company authorized to do business in this state.

14 D. As used in this section, "member of the
15 resident's household" means a resident, that resident's spouse
16 or that resident's dependents.

17 E. The credit provided for in this section may be
18 deducted from the resident's New Mexico income tax liability
19 for the taxable year. If the credit exceeds the resident's
20 income tax liability, the excess shall be refunded to the
21 resident.

22 F. A husband and wife filing separate returns for a
23 taxable year for which they could have filed a joint return may
24 each claim only one-half of the credit that would have been
25 claimed on a joint return."

.161488.1

1 Section 2. APPLICABILITY.--The provisions of this act are
2 applicable to taxable years beginning on or after January 1,
3 2006.

4 - 4 -
5
6
7
8
9
10
11
12
13
14
15
16

underscoring material = new
[~~bracketed material~~] = delete
17
18
19
20
21
22
23
24
25