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AN ACT

RELATING TO TAXATION; INCREASING PERSONAL INCOME TAX AND
CORPORATE INCOME TAX CREDITS FOR THE PURCHASE AND USE OF
ELECTRONIC AGE VERIFICATION EQUIPMENT.

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

Section 1. Section 7-2-18.8 NMSA 1978 (being Laws 2001,
Chapter 73, Section 1) is amended to read:

"7-2-18.8. CREDIT--CERTAIN ELECTRONIC EQUIPMENT.--

A. A taxpayer who files an individual New Mexico
income tax return, who is not a dependent of another
individual, is licensed by the state to sell cigarettes,
other tobacco products or alcoholic beverages and has
purchased and has in use equipment that electronically reads
identification cards to verify age, may claim a one-time
credit in an amount equal to one thousand dollars (\$1,000)
for each business location the taxpayer has such equipment in
use.

B. The credit provided in this section may only be
deducted from the taxpayer's New Mexico income tax liability
for the taxable year.

C. A husband and wife who file separate returns
for a taxable year in which they could have filed a joint
return may each claim only one-half of the credit provided in
this section that would have been allowed on a joint return.

1 D. A taxpayer who otherwise qualifies and claims a
2 credit pursuant to this section for equipment owned by a
3 partnership or other business association of which the
4 taxpayer is a member may claim a credit only in proportion to
5 the taxpayer's interest in the partnership or association.
6 The total credit claimed by all members of the partnership or
7 association shall not exceed one thousand dollars (\$1,000) in
8 the aggregate for each business location for which the
9 partnership or association has purchased equipment and has it
10 in use."

11 Section 2. Section 7-2A-18 NMSA 1978 (being Laws 2001,
12 Chapter 73, Section 2) is amended to read:

13 "7-2A-18. CREDIT--CERTAIN ELECTRONIC EQUIPMENT.--

14 A. A taxpayer that files a New Mexico corporate
15 income tax return, is licensed by the state to sell
16 cigarettes, other tobacco products or alcoholic beverages and
17 has purchased and has in use equipment that electronically
18 reads identification cards to verify age may claim a one-time
19 credit in an amount equal to one thousand dollars (\$1,000)
20 for each business location the taxpayer has such equipment in
21 use.

22 B. The credit provided in this section may only be
23 deducted from the taxpayer's New Mexico corporate income tax
24 liability for the taxable year.

25 C. A taxpayer that otherwise qualifies and claims

1 a credit pursuant to this section for equipment owned by a
2 partnership or other business association of which the
3 taxpayer is a member may claim a credit only in proportion to
4 the taxpayer's interest in the partnership or association.
5 The total credit claimed by all members of the partnership or
6 association shall not exceed one thousand dollars (\$1,000) in
7 the aggregate for each business location the partnership or
8 association has purchased equipment and has it in use."

9 Section 3. APPLICABILITY.--The provisions of this act
10 apply to taxable years beginning on or after January 1, 2006.=_

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