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SENATE BILL 313

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY
Mark Boitano

AN ACT

RELATING TO TAXATION; CREATING AN INCOME TAX CREDIT FOR
ADOPTIVE PARENTS.

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]~~ CREDIT--ADOPTED CHILD.--"

A. A resident who is a taxpayer, who files an
individual New Mexico income tax return and who is not a
dependent of another taxpayer may claim a credit following the
adoption of a child by the resident.

B. The credit provided in this section shall be a
maximum of five hundred dollars (\$500) per taxable year per
adopted child and may be claimed for each of the first five
years following the adoption of a child, provided the child is

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1 eight years of age or less during the taxable year in which
2 the credit is claimed.

3 C. The credit provided in this section may be
4 deducted from the taxpayer's New Mexico income tax liability
5 for the taxable year. The credit is not refundable, and excess
6 above the taxpayer's tax liability for the current year cannot
7 be carried over to be claimed in subsequent taxable years.

8 D. A husband and wife who have adopted a child
9 within the prior five taxable years and who file separate
10 returns for a taxable year for which they could have filed a
11 joint return may each claim only one-half of the credit that
12 would have been claimed on a joint return.

13 E. As used in this section:

14 (1) "adopt" means to create a parent-child
15 relationship by law between an adult and a child who are not in
16 fact biologically parent and child;

17 (2) "child" means an individual from birth
18 through eighteen years of age; and

19 (3) "qualifying adopted child" means a child
20 that has been adopted within the prior five tax years."

21 Section 2. APPLICABILITY.--The provisions of this act are
22 applicable to a taxable year beginning on or after January 1,
23 2008.