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SENATE BILL 8

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

INTRODUCED BY

H. Diane Snyder

AN ACT

PROVIDING FOR A CREDIT FOR MIDDLE-INCOME TAXPAYERS TO BE TAKEN AGAINST THE TAXPAYER'S STATE PERSONAL INCOME TAX IN THE AMOUNT OF FIFTY PERCENT OF THE TAXPAYER'S NATURAL GAS AND ELECTRIC BILLS.

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] MIDDLE-INCOME HOME ENERGY TAX CREDIT.--

A. Except as otherwise provided in Subsection B of this section, a taxpayer who files a New Mexico income tax return, is a full-year or first-year resident of New Mexico, is not a trust, estate or a dependent of another taxpayer and is a customer of a utility company may claim a credit in an amount not to exceed fifty percent of the utility charges paid by the

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1 taxpayer during the taxable year for which the return is filed.  
2 The credit allowed pursuant to this section may be cited as the  
3 "middle-income home energy tax credit".

4 B. A claim for the middle-income home energy tax  
5 credit provided in this section is not allowed for a resident  
6 who was an inmate of a public institution for more than six  
7 months during the taxable year for which the return seeking  
8 that credit is submitted.

9 C. The tax credit allowed in this section may be  
10 credited by the department against the taxpayer's New Mexico  
11 tax liability. If the taxpayer is liable for interest or  
12 penalties on the taxpayer's income tax liability for the  
13 taxable year for which the return is submitted, the credit  
14 provided by this section may be used to offset all or a portion  
15 of the penalty and interest due.

16 D. A husband and wife who file separate returns for  
17 a taxable year in which they could have filed a joint return  
18 may each claim one-half of the credit that would have been  
19 allowed on a joint return.

20 E. The middle-income home energy tax credit may  
21 only be deducted from the taxpayer's income tax liability for  
22 the taxable year for which the return is submitted. Any  
23 portion of the tax credit that remains unused at the end of a  
24 taxpayer's taxable year may not be carried forward.

25 F. As used in this section:

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1 (1) "customer" means a taxpayer of New Mexico  
2 that purchases natural gas or electricity from a utility for  
3 residential use;

4 (2) "dependent" means "dependent" as defined  
5 in Section 152 of the Internal Revenue Code;

6 (3) "government-owned" means owned by a  
7 municipality, county or tribe;

8 (4) "taxpayer" means a taxpayer whose adjusted  
9 gross income is greater than one hundred fifty percent of the  
10 federal poverty level but less than sixty thousand dollars  
11 (\$60,000) for the taxable year for which the taxpayer's return  
12 is filed;

13 (5) "tribe" means a federally recognized  
14 Indian nation, tribe or pueblo located in whole or in part in  
15 New Mexico;

16 (6) "utility company" means a business entity  
17 that provides natural gas or electricity to residential  
18 customers located in New Mexico, which business entity may be  
19 privately or cooperatively owned and regulated by the public  
20 regulation commission or may be government-owned; and

21 (7) "utility charges" means the total the  
22 taxpayer has paid to a utility company for use of electricity  
23 or natural gas for residential purposes for the taxpayer's  
24 primary residence in New Mexico."

25 Section 2. APPLICABILITY.--The provisions of this act are

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1 applicable to taxable years beginning on or after January 1,  
2 2008.

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