

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 253

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

John M. Sapien

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT AND A CORPORATE INCOME TAX CREDIT FOR FIFTY PERCENT OF THE COST OF COMPLYING WITH DEPARTMENT OF ENVIRONMENT REQUIREMENTS ON UPGRADING ABOVEGROUND STORAGE TANKS.

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--ABOVEGROUND STORAGE TANK IMPROVEMENTS.--

A. A taxpayer who files an individual New Mexico income tax return and is not a dependent of another individual may claim a credit against the taxpayer's income tax liability for a taxable year beginning on or after January 1, 2010 but before December 31, 2011 in an amount equal to fifty percent of

.181413.1

underscoring material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 the cost incurred by the taxpayer during the taxable year for
2 eligible improvements to aboveground storage tanks on property
3 owned by the taxpayer.

4 B. The tax credit provided by this section may not
5 be claimed with respect to the same improvements for which a
6 credit has been claimed pursuant to the Corporate Income and
7 Franchise Tax Act.

8 C. A taxpayer who otherwise qualifies and claims a
9 credit pursuant to this section for improvements on property
10 owned by a partnership or other business association of which
11 the taxpayer is a member may claim a credit only in proportion
12 to the taxpayer's interest in the partnership or association.
13 The total credit claimed in the aggregate by all members of the
14 partnership or business association shall not exceed the amount
15 of the credit allowed pursuant to Subsection A of this section.

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 only one-half of the credit that would have been
19 allowed on a joint return.

20 E. The credit provided in this section may only be
21 deducted from the taxpayer's income tax liability. Any portion
22 of the tax credit provided by this section that remains unused
23 at the end of the taxpayer's taxable year may be carried
24 forward for five consecutive taxable years.

25 F. As used in this section, "eligible improvements

.181413.1

underscored material = new
[bracketed material] = delete

1 to aboveground storage tanks" means improvements necessary to
2 comply with the department of environment requirements for
3 upgrading aboveground storage tank systems pursuant to
4 20.5.4.35 NMAC."

5 Section 2. A new section of the Corporate Income and
6 Franchise Tax Act is enacted to read:

7 "[NEW MATERIAL] CREDIT--ABOVEGROUND STORAGE TANK
8 IMPROVEMENTS.--

9 A. A taxpayer that files a New Mexico corporate
10 income tax return may claim a credit against the taxpayer's
11 corporate income tax liability for a taxable year beginning on
12 or after January 1, 2010 but before December 31, 2011 in an
13 amount equal to fifty percent of the cost incurred by the
14 taxpayer during the taxable year for eligible improvements to
15 aboveground storage tanks on property owned by the taxpayer.

16 B. The tax credit provided by this section may not
17 be claimed with respect to the same improvements for which a
18 credit has been claimed pursuant to the Income Tax Act.

19 C. A taxpayer that otherwise qualifies and claims a
20 credit pursuant to this section for improvements on property
21 owned by a partnership or other business association of which
22 the taxpayer is a member may claim a credit only in proportion
23 to the taxpayer's interest in the partnership or association.
24 The total credit claimed in the aggregate by all members of the
25 partnership or business association shall not exceed the amount

.181413.1

underscoring material = new
[bracketed material] = delete

1 of the credit allowed pursuant to Subsection A of this section.

2 D. The credit provided in this section may only be
3 deducted from the taxpayer's corporate income tax liability.
4 Any portion of the tax credit provided by this section that
5 remains unused at the end of the taxpayer's taxable year may be
6 carried forward for five consecutive taxable years.

7 E. As used in this section, "eligible improvements
8 to aboveground storage tanks" means improvements necessary to
9 comply with the department of environment requirements for
10 upgrading aboveground storage tank systems pursuant to
11 20.5.4.35 NMAC."

12 Section 3. EFFECTIVE DATE.--The effective date of the
13 provisions of this act is July 1, 2010.