HOUSE BILL 248

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Jim R. Trujillo

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS

FOR RECEIPTS FROM THE STATE FOR CHILD DAYCARE SERVICES FOR

ELIGIBLE FAMILIES; REQUIRING REPORTING.

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

SECTION 1. A new section of the Gross Receipts and

Compensating Tax Act is enacted to read:

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--CHILD DAYCARE

SERVICES--RECEIPTS FROM STATE--REPORTING REQUIREMENTS.--

A. Until July 1, 2021, receipts from the state for

fees paid to a provider for providing child daycare services

for families qualified to receive assistance from the state to

pay for all or part of child daycare services may be deducted

by the provider from gross receipts.

B. The purposes of the deduction authorized by this

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section are to:

(1)   reduce costs of providing child daycare services for private, for-profit daycare providers so that the costs are equivalent to the costs of providing child daycare services for not-for-profit providers; and

(2)   encourage more child daycare providers to open child daycare businesses.

C.   Beginning in 2020 and in six-year intervals thereafter, the department shall annually report to the revenue stabilization and tax policy committee the aggregate amount of deductions taken pursuant to this section, the number of taxpayers claiming the deduction and any other information that is necessary to determine that the deduction is cost-effective and performing the purposes for which it is enacted.

D.   A taxpayer deducting gross receipts pursuant to this section shall report the amount deducted separately in a manner required by the department that facilitates the evaluation of this deduction."

SECTION 2.   EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2013.

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