

HOUSE BILL 18

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

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Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO TAXATION; CREATING A CHILD INCOME TAX CREDIT.

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] CHILD INCOME TAX CREDIT.--

A. A taxpayer who is a resident and is not a dependent of another individual may apply for, and the department may allow, a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act for each

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qualifying child of the taxpayer HHHC→; ~~provided that the exemption amount in effect pursuant to Section 151 of the Internal Revenue Code, as that section may be amended or renumbered, is set to zero~~←HHHC. The tax credit provided by this section may be referred to as the "child income tax credit".

B. The child income tax credit may be claimed as shown in the following table:

Adjusted gross income is		Amount of credit per
Over	But not over	qualifying child is
\$ 0	\$25,000	\$175
25,000	50,000	150
50,000	75,000	125
75,000	100,000	100
100,000	200,000	75
200,000	350,000	50
350,000		25.

HHHC→C. ~~If a taxpayer's adjusted gross income is less than zero, the taxpayer may claim a tax credit in the amount shown in the first row of the table provided in Subsection B of this section.~~←HHHC

HHHC→~~C~~ D←HHHC. To receive a child income tax credit, a taxpayer shall apply to the department on forms and in the manner prescribed by the department.

HHHC→D E←HHHC. That portion of a child income tax credit
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that exceeds a taxpayer's tax liability in the taxable year in which the credit is claimed shall be refunded.

HHHC→**E** **F**←HHHC. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the child income tax credit that would have been claimed on a joint return.

HHHC→**F** **G**←HHHC. A taxpayer allowed a tax credit pursuant to this section shall report the amount of the credit to the department in a manner required by the department.

HHHC→**G** **H**←HHHC. The department shall compile an annual report on the child income tax credit that shall include the number of taxpayers approved by the department to receive the credit, the aggregate amount of credits approved and any other information necessary to evaluate the effectiveness of the credit. Each year that the credit is in effect, the department shall compile and present the annual report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the cost of the tax credit.

HHHC→**H** **I**←HHHC. As used in this section, "qualifying child" means "qualifying" as defined by Section 152(c) of the Internal Revenue Code, as that section may be amended or renumbered, but includes any minor child or stepchild of the taxpayer who would be a qualifying child for federal income tax purposes if the public assistance contributing to the support

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of the child or stepchild was considered to have been
contributed by the taxpayer."

SECTION 2. APPLICABILITY.--The provisions of this act
apply to taxable years beginning on or after January 1, 2019.