

1 HOUSE BILL 359

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A TAX CREDIT FOR CERTAIN RURAL
12 TEACHERS.
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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. A new section of the Income Tax Act is enacted
16 to read:

17 "[NEW MATERIAL] RURAL TEACHERS TAX CREDIT.--

18 A. A taxpayer who files an individual New Mexico
19 tax return, who is not a dependent of another individual and
20 who is an eligible rural teacher may claim a credit against the
21 tax liability imposed by the Income Tax Act. The credit
22 provided in this section may be referred to as the "rural
23 teachers tax credit".

24 B. The rural teachers tax credit may be claimed and
25 allowed in an amount that shall not exceed one thousand five

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1 hundred dollars (\$1,500) for each eligible New Mexico licensed
2 teacher.

3 C. To qualify for the rural teachers tax credit, an
4 eligible teacher shall have taught as a full-time teacher in a
5 rural school district pursuant to at least a standard nine and
6 one-half month contract for a school year that ends in the
7 taxable year.

8 D. Before an eligible rural teacher may claim the
9 rural teachers tax credit, the teacher shall submit an
10 application on a form provided by the public education
11 department that includes the teacher's employment contract and
12 any additional information the public education department may
13 require. The public education department shall determine
14 whether a teacher qualifies for the rural teachers tax credit
15 and shall issue a certificate to each qualifying eligible
16 teacher. The public education department shall provide the
17 taxation and revenue department appropriate information for all
18 eligible rural teachers to whom certificates are issued.

19 E. A taxpayer claiming the credit provided by this
20 section shall submit a copy of the certificate issued by the
21 public education department with the taxpayer's New Mexico
22 income tax return for the taxable year. If the amount of the
23 credit claimed exceeds a taxpayer's tax liability for the
24 taxable year in which the credit is being claimed, the excess
25 may be carried forward for three consecutive taxable years.

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1 F. Married individuals filing separate returns for
2 a taxable year for which they could have filed a joint return
3 may each claim only one-half of the rural teachers tax credit
4 that would have been claimed on a joint return.

5 G. The department shall compile an annual report on
6 the rural teachers tax credit that includes the number of
7 taxpayers approved by the department to receive the credit, the
8 aggregate amount of credits approved and any other information
9 necessary to evaluate the credit. The department shall provide
10 the report to the revenue stabilization and tax policy
11 committee and the legislative finance committee with an
12 analysis of the efficacy of the tax credit.

13 H. As used in this section:

14 (1) "eligible rural teacher" means a teacher
15 who holds a level one, level two or level three-A license and
16 whose primary job is classroom instruction or the supervision,
17 below the school principal level, of an instructional program
18 or whose duties include curriculum development, peer
19 intervention, peer coaching or mentoring or serving as a
20 resource teacher for other teachers and who teaches in a rural
21 school district; and

22 (2) "rural school district" means:

23 (a) a school district that has no more
24 than four public schools to serve kindergarten through twelfth
25 grades;

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1 (b) a school district that is located
2 along the border with another state and can demonstrate to the
3 public education department that it is losing public school
4 teachers to school districts in that bordering state;

5 (c) a school district that is more than
6 thirty-five road miles from an urban cluster or urbanized area
7 as those terms are used in the most recent federal decennial
8 census; or

9 (d) a public school of a geographically
10 large school district whose central administration is located
11 in an urban cluster or urbanized area but the public school is
12 located more than thirty-five road miles from the school
13 district's central administration building and the public
14 school has a chronic critical teacher shortage."