1	SENATE BILL 52			
2	56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023			
3	INTRODUCED BY			
4	Bill Tallman and Pamelya Herndon			
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10	AN ACT			
11	RELATING TO TAXATION; INCREASING THE AMOUNT OF THE CHILD INCOME			
12	TAX CREDIT.			
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14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:			
15	SECTION 1. Section 7-2-18.34 NMSA 1978 (being Laws 2022,			
16	Chapter 47, Section 5) is amended to read:			
17	"7-2-18.34. CHILD INCOME TAX CREDIT			
18	A. For taxable years beginning January 1, 2023 and			
19	prior to January 1, 2032, a taxpayer who is a resident and is			
20	not a dependent of another individual may apply for, and the			
21	department may allow, a credit against the taxpayer's tax			
22	liability imposed pursuant to the Income Tax Act for each			
23	qualifying child of the taxpayer. The tax credit provided by			
24	this section may be referred to as the "child income tax			
25	credit".			
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1	B. The child income tax credit may be claimed as			
2	shown in the following table:			
3		oss income is	Amount of credit per	
4	Over	But not over	qualifying child is	
5	\$ O	\$ 25,000	\$[175] <u>202</u>	
6	25,000	50,000	[150] <u>173</u>	
7	50,000	75,000	[125] <u>144</u>	
8	75,000	100,000	[100] <u>115</u>	
9	100,000	200,000	[75] <u>87</u>	
10	200,000	350,000	[50] <u>58</u>	
11	350 , 000		[25] <u>29</u> .	
12	C. If a taxpayer's adjusted gross income is less			
13	than zero, the taxpayer may claim a tax credit in the amount			
14	shown in the first row of the table provided in Subsection B of			
15	this section.			
16	D. To receive a child income tax credit, a taxpayer			
17	shall apply to the department on forms and in the manner			
18	prescribed by the department.			
19	E. That portion of a child income tax credit that			
20	exceeds a taxpayer's tax liability in the taxable year in which			
21	the credit is claimed shall be refunded.			
22	F. Married individuals filing separate returns for			
23	a taxable year for which they could have filed a joint return			
24	may each claim only one-half of the child income tax credit			
25	that would have been claimed on a joint return.			
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G. 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.

H. 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. 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.

I. As used in this section, "qualifying child" means "qualifying child" 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 of the child or stepchild was considered to have been contributed by the taxpayer."

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