

1 HOUSE BILL 207

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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5 and Harlan Vincent  
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10 AN ACT

11 RELATING TO TAXATION; EXPANDING AN INCOME TAX CREDIT FOR THE  
12 ADOPTION OF A SPECIAL NEEDS CHILD TO THE ADOPTION OF ANY CHILD;  
13 INCREASING THE AMOUNT OF CREDIT.  
14

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

16 SECTION 1. Section 7-2-18.16 NMSA 1978 (being Laws 2007,  
17 Chapter 45, Section 10, as amended) is amended to read:

18 "7-2-18.16. CREDIT--~~[SPECIAL NEEDS]~~ ADOPTED CHILD TAX  
19 CREDIT--CREATED--QUALIFICATIONS--DURATION OF CREDIT.--

20 A. A taxpayer who files an individual New Mexico  
21 income tax return, who is not a dependent of another individual  
22 and who adopts a ~~[special needs]~~ child on or after January 1,  
23 2007 or has adopted a ~~[special needs]~~ child prior to January 1,  
24 2007, may claim a credit against the taxpayer's tax liability  
25 imposed pursuant to the Income Tax Act. The credit authorized

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1 pursuant to this section may be referred to as the "~~[special~~  
2 ~~needs]~~ adopted child tax credit".

3 B. A taxpayer may claim and the department may  
4 allow ~~[a special needs adopted child]~~ the tax credit in the  
5 amount of ~~[one thousand five hundred dollars (\$1,500)]~~ seven  
6 thousand dollars (\$7,000) to be claimed against the taxpayer's  
7 tax liability for the taxable year imposed pursuant to the  
8 Income Tax Act.

9 C. A taxpayer may claim ~~[a special needs adopted~~  
10 ~~child]~~ the tax credit for each year that the child may be  
11 claimed as a dependent for federal taxation purposes by the  
12 taxpayer.

13 D. If the amount of the ~~[special needs adopted~~  
14 ~~child]~~ tax credit due to the taxpayer exceeds the taxpayer's  
15 individual income tax liability, the excess shall be refunded.

16 E. Married individuals who file separate returns  
17 for a taxable year in which they could have filed a joint  
18 return may each claim only one-half of the ~~[special needs~~  
19 ~~adopted child]~~ tax credit provided in this section that would  
20 have been allowed on a joint return.

21 F. A taxpayer allowed a tax credit pursuant to this  
22 section shall report the amount of the credit to the department  
23 in a manner required by the department.

24 G. ~~[The department shall compile an annual report~~  
25 ~~on the credit provided by this section that shall include the~~

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1 ~~number of taxpayers approved by the department to receive the~~  
2 ~~credit, the aggregate amount of credits approved and any other~~  
3 ~~information necessary to evaluate the credit. The department~~  
4 ~~shall present the report to the revenue stabilization and tax~~  
5 ~~policy committee and the legislative finance committee with an~~  
6 ~~analysis of the cost of the tax credit] The credit provided by~~  
7 ~~this section shall be included in the tax expenditure budget~~  
8 ~~pursuant to Section 7-1-84 NMSA 1978, including the total~~  
9 ~~annual aggregate cost of the credit.~~

10 H. As used in this section, "~~[special needs~~  
11 ~~adopted] child" means an individual [who may be over eighteen~~  
12 ~~years of age and who is certified by the children, youth and~~  
13 ~~families department or a licensed child placement agency as~~  
14 ~~meeting the definition of a "difficult to place child" pursuant~~  
15 ~~to the Adoption Act; provided, however, if the classification~~  
16 ~~as a "difficult to place child" is based on a physical or~~  
17 ~~mental impairment or an emotional disturbance the physical or~~  
18 ~~mental impairment or emotional disturbance shall be at least~~  
19 ~~moderately disabling] under the age of eighteen."~~

20 SECTION 2. APPLICABILITY.--The provisions of this act  
21 apply to taxable years beginning on or after January 1, 2025.