

LFC Requester:

Brendon Gray

### AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 1/28/2026

*Check all that apply:*

**Bill Number:** SB120

Original X      Correction       
Amendment           Substitute     

**Sponsor:** Sen. Carrie Hamblen, Sen. Peter Wirth

**Agency Name and Code Number:** 305 – New Mexico Department of Justice

**Short Title:** Local Journalist Employment Tax Credit

**Person Writing Analysis:** Adolfo Mendez

**Phone:** 505-645-5980

**Email:** Fir.request@nmdoj.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

**BILL SUMMARY**

Synopsis:

SB0120 proposes two new tax credits in New Mexico:

- a Local Journalist Employment Income Tax Credit for individual taxpayers who own local news organizations that employs journalists; and
- A Local Journalist Employment Corporate Income Tax Credit for corporate taxpayers who are local news organizations that employs journalists.

The credits equal 30% of wages paid to each journalist, capped at \$50,000 per journalist, and apply to taxable years before January 1, 2031. The combined annual cap for both credits is \$4,000,000 statewide.

**Section 1 – Local Journalist Employment Income Tax Credit**

Section 1 adds new section of the Income Tax Act to establish a Local Journalist Employment Income Tax Credit.

- A. Eligibility and Scope: The credit applies to taxable years prior to January 1, 2031 to taxpayers who are not a dependent of another individual and own of a local news organization that employs a journalist.
- B. Credit Amount: Credit equals 30% of wages paid to each journalist employed by a local news organization.
- C. Limits and Certification: Taxpayer must apply for certification of eligibility from the Taxation and Revenue Department. Restrictions include:
  - a. No more than 75 journalists per taxpayer per taxable year.
  - b. Only one credit per journalist per taxable year, except as provided in Subsections F and G.
  - c. Combined statewide cap for both this credit and the corporate credit: \$4,000,000 annually.
- D. Certification Process: If requirements are met, the Taxation and Revenue Department issues a dated certificate of eligibility specifying the amount of credit and “the taxable years in which the credit may be claimed.”
- E. Refundability: Any portion of the credit that exceeds the taxpayer’s income tax

liability is refunded to the taxpayer.

- F. Married Filing Separately: Married individuals filing separately may each claim one-half of the credit that would have been claimed on a joint return.
- G. Partnerships and LLCs: The tax credit may be allocated among owners in proportion to ownership interest if the entity is taxed as a partnership or LLC.
- H. Claiming the Credit: The Taxation and Revenue Department establishes the manner in which the tax credit is claimed.
- I. State Budget: The cost for the tax credit must “be included in the tax expenditure budget under Section 7-1-84 NMSA 1978, including total annual aggregate cost.”
- J. Definitions:
  - a. Journalist:
    - i. must be paid by a local news organization to gather, prepare, edit, report, or publish news of state/local interest;
    - ii. reside within 50 miles of coverage area; and
    - iii. works as a journalist for at least 25% of the taxable year.
  - b. Local News Organization:
    - i. provides print or digital publication focused on state/local news;
    - ii. pay at least one individual as a journalist;
    - iii. print organizations must print at least one issue per month for 24 months and have a USPS periodical permit, or dedicate 30% of their content to state or local news;
    - iv. digital-only organizations must issue at least four original stories per week for 24 months and have at least 50% of its audience in NM.
    - v. Additionally, an organization must make ownership disclosures and not receive more than 10% of its gross receipts from political funding, such as PACs.
  - c. Wages means not more than \$50,000 in compensation per journalist, including deferred compensation and contributions to 401(k) or cafeteria plans.

## **Section 2 – Local Journalist Employment Corporate Income Tax Credit**

Section 2 mirrors Section 1 as to the tax credits but adapts the application to corporations instead of individuals. As a result, Section 2 omits the marital filing provisions, partnership/LLC allocation rules, and dependency status requirements found in Section 1, because those are only relevant to individual taxpayers.

## **Section 3 – Applicability**

Section 3 establishes that the credits apply to tax years starting January 1, 2026.

## **FISCAL IMPLICATIONS**

None.

## **SIGNIFICANT ISSUES**

None noted.

## **PERFORMANCE IMPLICATIONS**

None.

**ADMINISTRATIVE IMPLICATIONS**

None.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB 150 appears to be a companion bill, as it creates a local news printer income tax credit and local news printer corporate income tax credit, following a similar format to SB 120. Whereas SB 120 proposes to create tax credits for employing printers, SB 150 proposes tax credits for employees who physically or digitally print local news.

**TECHNICAL ISSUES**

None.

**OTHER SUBSTANTIVE ISSUES**

None.

**ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

**AMENDMENTS**

None yet.