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SENATE BILL 120

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; CREATING THE LOCAL JOURNALIST EMPLOYMENT
INCOME TAX CREDIT AND LOCAL JOURNALIST EMPLOYMENT CORPORATE
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] LOCAL JOURNALIST EMPLOYMENT INCOME TAX
CREDIT.--

A. For taxable years prior to January 1, 2031, a
taxpayer who is not a dependent of another individual and is
an owner of a local news organization that employs a journalist
may claim a credit against the taxpayer's tax liability imposed
pursuant to the Income Tax Act in an amount provided in
Subsection B of this section. The tax credit provided by this

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1 section may be referred to as the "local journalist employment
2 income tax credit".

3 B. The amount of tax credit shall be in an amount
4 equal to thirty percent of wages paid to each journalist
5 employed by a local news organization.

6 C. A taxpayer shall apply for certification of
7 eligibility for the tax credit from the department on forms and
8 in the manner prescribed by the department. A taxpayer shall
9 not be eligible to receive a tax credit for more than seventy-
10 five journalists whom the taxpayer employs as a local news
11 organization and, except as provided in Subsections F and G of
12 this section, only one tax credit shall be certified for each
13 journalist employed by a local news organization per taxable
14 year. The total annual aggregate amount of local journalist
15 employment income tax credits and local journalist employment
16 corporate income tax credits that may be certified in a
17 calendar year shall not exceed four million dollars
18 (\$4,000,000). Completed applications shall be considered in
19 the order received.

20 D. If the department determines that the taxpayer
21 meets the requirements of this section, the department shall
22 issue a dated certificate of eligibility to the taxpayer
23 providing the amount of tax credit for which the taxpayer is
24 eligible and the taxable years in which the credit may be
25 claimed.

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1 E. That portion of tax credit that exceeds a
2 taxpayer's income tax liability in the taxable year in which
3 the credit is claimed shall be refunded to the taxpayer.

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

8 G. A taxpayer may be allocated the right to claim
9 the tax credit in proportion to the taxpayer's ownership
10 interest if the taxpayer owns an interest in a business entity
11 that is taxed for federal income tax purposes as a partnership
12 or limited liability company and the business entity has met
13 all requirements to be eligible for the credit. The total
14 credit claimed by all members of the partnership or limited
15 liability company shall not exceed the allowable credit
16 pursuant to this section.

17 H. A taxpayer allowed to claim a tax credit
18 pursuant to this section shall claim the tax credit in a manner
19 required by the department.

20 I. The tax credit provided by this section shall be
21 included in the tax expenditure budget pursuant to Section
22 7-1-84 NMSA 1978, including the total annual aggregate cost of
23 the tax credit.

24 J. As used in this section:

25 (1) "journalist" means a person who:

1 (a) is paid by a local news organization
2 to regularly gather, prepare, collect, photograph, record,
3 direct the recording of, produce, write, edit, report or
4 publish news or information that concerns state or local events
5 or other matters of public interest for dissemination to the
6 state or a local community through reporting activities,
7 including conducting interviews, observing current events or
8 analyzing documents;

9 (b) resides within fifty miles of the
10 coverage area assigned by the local news organization; and

11 (c) works as a journalist for the local
12 news organization for at least twenty-five percent of the
13 taxable year in which the credit is claimed;

14 (2) "local news organization" means an entity
15 that:

16 (a) provides a print or digital
17 publication that engages professionals who regularly gather,
18 prepare, collect, photograph, record, direct the recording of,
19 produce, write, edit, report or publish news or information
20 that concerns state or local events or other matters of public
21 interest for dissemination to the state or a local community
22 through reporting activities, including conducting interviews,
23 observing current events or analyzing documents;

24 (b) pays at least one individual, either
25 through employment or by contract with the entity, as a

1 journalist;

2 (c) in the case of print publications,
3 has published at least one print publication per month over the
4 previous twenty-four months and holds a valid United States
5 postal service periodical permit or has at least thirty percent
6 of its content dedicated to state or local news;

7 (d) in the case of digital-only
8 entities, has published at least four originally produced
9 stories about the state or a local community per week over the
10 previous twenty-four months and has at least fifty percent of
11 its digital audience in New Mexico, averaged over a twelve-
12 month period;

13 (e) discloses in its print publication
14 or on its website its beneficial ownership or, in the case of a
15 not-for-profit entity, its board of directors;

16 (f) in the case of an organization that
17 demonstrates to the department that the organization has been
18 granted exemption from the federal income tax by the United
19 States commissioner of internal revenue as organizations
20 described in Section 501(c)(3) of the Internal Revenue Code,
21 has declared the coverage of state or local news as the stated
22 mission in its filings with the federal internal revenue
23 service;

24 (g) has not received more than ten
25 percent of its gross receipts for the previous year from

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1 political action committees or other entities described in
2 Section 527 of the Internal Revenue Code, or from an
3 organization that has been granted exemption from the federal
4 income tax by the United States commissioner of internal
5 revenue as an organization described in Section 501(c)(4) or
6 501(c)(6) of the Internal Revenue Code; and

7 (h) is not a publicly traded entity or
8 is no more than forty-nine percent owned, directly or
9 indirectly, by a publicly traded entity or subsidiary; and

10 (3) "wages" means not more than fifty thousand
11 dollars (\$50,000) in compensation paid by a local news
12 organization to a journalist through the organization's payroll
13 system, including those wages that the journalist elects to
14 defer or redirect or the journalist's contribution to a 401(k)
15 or cafeteria plan program. "Wages" does not mean benefits or
16 the organization's share of payroll taxes, social security or
17 medicare contributions, federal or state unemployment insurance
18 contributions or workers' compensation."

19 SECTION 2. A new section of the Corporate Income and
20 Franchise Tax Act is enacted to read:

21 "[NEW MATERIAL] LOCAL JOURNALIST EMPLOYMENT CORPORATE
22 INCOME TAX CREDIT.--

23 A. For taxable years prior to January 1, 2031, a
24 taxpayer that is a local news organization that employs a
25 journalist may claim a credit against the taxpayer's tax

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1 liability imposed pursuant to the Corporate Income and
2 Franchise Tax Act in an amount provided in Subsection B of this
3 section. The tax credit provided by this section may be
4 referred to as the "local journalist employment corporate
5 income tax credit".

6 B. The amount of tax credit shall be in an amount
7 equal to thirty percent of wages paid to each journalist
8 employed by a local news organization.

9 C. A taxpayer shall apply for certification of
10 eligibility for the tax credit from the department on forms and
11 in the manner prescribed by the department. A taxpayer shall
12 not be eligible to receive a tax credit for more than seventy-
13 five journalists whom the taxpayer employs as a local news
14 organization, and only one tax credit shall be certified for
15 each journalist employed by a local news organization per
16 taxable year. The total annual aggregate amount of local
17 journalist employment corporate income tax credits and local
18 journalist employment income tax credits that may be certified
19 in a calendar year shall not exceed four million dollars
20 (\$4,000,000). Completed applications shall be considered in
21 the order received.

22 D. If the department determines that the taxpayer
23 meets the requirements of this section, the department shall
24 issue a dated certificate of eligibility to the taxpayer
25 providing the amount of tax credit for which the taxpayer is

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1 eligible and the taxable years in which the credit may be
2 claimed.

3 E. That portion of tax credit that exceeds a
4 taxpayer's corporate income tax liability in the taxable year
5 in which the credit is claimed shall be refunded to the
6 taxpayer.

7 F. A taxpayer allowed to claim a tax credit
8 pursuant to this section shall claim the tax credit in a manner
9 required by the department.

10 G. The tax credit provided by this section shall be
11 included in the tax expenditure budget pursuant to Section
12 7-1-84 NMSA 1978, including the total annual aggregate cost of
13 the tax credit.

14 H. As used in this section:

15 (1) "journalist" means a person who:

16 (a) is paid by a local news organization
17 to regularly gather, prepare, collect, photograph, record,
18 direct the recording of, produce, write, edit, report or
19 publish news or information that concerns state or local events
20 or other matters of public interest for dissemination to the
21 state or a local community through reporting activities,
22 including conducting interviews, observing current events or
23 analyzing documents;

24 (b) resides within fifty miles of the
25 coverage area assigned by the local news organization; and

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1 (c) works as a journalist for the local
2 news organization for at least twenty-five percent of the
3 taxable year in which the credit is claimed;

4 (2) "local news organization" means an entity
5 that:

6 (a) provides a print or digital
7 publication that engages professionals who regularly gather,
8 prepare, collect, photograph, record, direct the recording of,
9 produce, write, edit, report or publish news or information
10 that concerns state or local events or other matters of public
11 interest for dissemination to the state or a local community
12 through reporting activities, including conducting interviews,
13 observing current events or analyzing documents;

14 (b) pays at least one individual, either
15 through employment or by contract with the entity, as a
16 journalist;

17 (c) in the case of print publications,
18 has published at least one print publication per month over the
19 previous twenty-four months and holds a valid United States
20 postal service periodical permit or has at least thirty percent
21 of its content dedicated to state or local news;

22 (d) in the case of digital-only
23 entities, has published at least four originally produced
24 stories about the state or a local community per week over the
25 previous twenty-four months and has at least fifty percent of

1 its digital audience in New Mexico, averaged over a twelve-
2 month period;

3 (e) discloses in its print publication
4 or on its website its beneficial ownership or, in the case of a
5 not-for-profit entity, its board of directors;

6 (f) in the case of an organization that
7 demonstrates to the department that the organization has been
8 granted exemption from the federal income tax by the United
9 States commissioner of internal revenue as organizations
10 described in Section 501(c)(3) of the Internal Revenue Code,
11 has declared the coverage of state or local news as the stated
12 mission in its filings with the federal internal revenue
13 service;

14 (g) has not received more than ten
15 percent of its gross receipts for the previous year from
16 political action committees or other entities described in
17 Section 527 of the Internal Revenue Code, or from an
18 organization that has been granted exemption from the federal
19 income tax by the United States commissioner of internal
20 revenue as an organization described in Section 501(c)(4) or
21 501(c)(6) of the Internal Revenue Code; and

22 (h) is not a publicly traded entity or
23 is no more than forty-nine percent owned, directly or
24 indirectly, by a publicly traded entity or subsidiary; and

25 (3) "wages" means not more than fifty thousand

1 dollars (\$50,000) in compensation paid by a local news
2 organization to a journalist through the organization's payroll
3 system, including those wages that the journalist elects to
4 defer or redirect or the journalist's contribution to a 401(k)
5 or cafeteria plan program. "Wages" does not mean benefits or
6 the organization's share of payroll taxes, social security or
7 medicare contributions, federal or state unemployment insurance
8 contributions or workers' compensation."

9 SECTION 3. APPLICABILITY.--The provisions of this act
10 apply to taxable years beginning on or after January 1, 2026.

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