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SENATE BILL 112

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

William H. Payne

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT FOR
CONTRIBUTIONS TO PUBLIC SCHOOLS AND PUBLIC POST-SECONDARY
EDUCATIONAL INSTITUTIONS IN NEW MEXICO.

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 CREDIT-- EDUCATIONAL CONTRIBUTIONS. --

A. To encourage support for public schools and
public post-secondary educational institutions in New Mexico,
any taxpayer who files an individual New Mexico income tax
return and who is not a dependent of another individual may
claim a credit not to exceed one hundred dollars (\$100) in an
amount equal to qualified educational expenditures made by the
taxpayer in the taxable year for which the credit is claimed.

underscored material = new
[bracketed material] = delete

underscored material = new
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1 The credit may be claimed for each taxable year in which the
2 taxpayer makes qualified educational expenditures.

3 B. A husband and wife who file separate returns
4 for a taxable year in which they could have filed a joint
5 return may each claim only one-half of the credit that would
6 have been allowed on a joint return.

7 C. The credit provided in this section may only be
8 deducted from the taxpayer's income tax liability.

9 D. As used in this section, "qualified educational
10 expenditure" means a cash contribution to a public school or
11 public post-secondary educational institution in New Mexico
12 for any instructional or educational purpose for which the
13 school or educational institution is authorized to expend
14 money, including extracurricular activities and provision of
15 merit awards for teachers, professors or other personnel based
16 on established standards or criteria for outstanding teaching
17 or other educational service or contribution deserving of
18 recognition. "

19 Section 2. APPLICABILITY. --The provisions of this act
20 apply to taxable years beginning on or after January 1, 1999.