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SENATE BILL 417

44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2000

INTRODUCED BY

Ramsay Gorham

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT AND A CORPORATE INCOME TAX CREDIT FOR CERTAIN QUALIFIED EDUCATIONAL EXPENDITURES.

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 EXPENDITURES. --

A. A 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 five hundred dollars (\$500) in an amount equal to qualified educational expenditures made by the taxpayer in the taxable year for which the credit is claimed. The credit may be claimed for

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1 each taxable year in which the taxpayer makes qualified  
2 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 expenditures" means payments made for tuition, fees, academic  
11 tutoring or special needs services in connection with the  
12 enrollment or attendance of an elementary or secondary school  
13 student at a public, private or religious school in New  
14 Mexico or the contribution of computer equipment or software  
15 to any public, private or religious elementary or secondary  
16 school in New Mexico if the school or other person providing  
17 the services, if applicable, certifies the amount and purpose  
18 of the payments. "

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

21 "[NEW MATERIAL] CREDIT-- EDUCATIONAL EXPENDITURES. --

22 A. A taxpayer who files a corporate income tax  
23 return may claim a credit not to exceed five hundred dollars  
24 (\$500) in an amount equal to qualified educational  
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1 expenditures made by the taxpayer in the taxable year for  
2 which the credit is claimed. The credit may be claimed for  
3 each taxable year in which the taxpayer makes qualified  
4 educational expenditures.

5 B. The credit provided in this section may only be  
6 deducted from the taxpayer's corporate income tax liability.

7 C. As used in this section, "qualified educational  
8 expenditures" means payments made for tuition, fees, academic  
9 tutoring or special needs services in connection with the  
10 enrollment or attendance of an elementary or secondary school  
11 student at a public, private or religious school in New  
12 Mexico or the contribution of computer equipment or software  
13 to any public, private or religious elementary or secondary  
14 school in New Mexico if the school or other person providing  
15 the services, if applicable, certifies the amount and purpose  
16 of the payments. "

17 Section 3. APPLICABILITY. -- The provisions of this act  
18 apply to taxable years beginning on or after January 1, 2000.