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SENATE BILL 855

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Cisco McSorley

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT FOR  
EMPLOYERS FOR A PORTION OF THE COST OF PROVIDING PAID FAMILY  
MEDICAL LEAVE.

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--EMPLOYEE FAMILY MEDICAL LEAVE PAID  
BY EMPLOYER. --

A. A taxpayer who is an employer and who files an  
individual New Mexico income tax return may claim a credit in  
an amount equal to twenty-five percent of the amount paid by  
the taxpayer in a taxable year for the salary or wage costs  
incurred in providing paid family medical leave to an employee.

B. A husband and wife who file separate returns for

underscored material = new  
[bracketed material] = delete

1 a taxable year in which they could have filed a joint return  
2 may each claim only one-half of the credit that would have been  
3 allowed on a joint return.

4 C. A taxpayer who otherwise qualifies and claims a  
5 credit pursuant to Subsection A of this section and is a member  
6 of a partnership or business association that is the employer  
7 incurring the family medical leave cost may claim a credit only  
8 in proportion to the taxpayer's interest in the partnership or  
9 association. The total credit claimed by all members of the  
10 partnership or association shall not exceed twenty-five percent  
11 of the family medical leave cost paid by the partnership or  
12 association in the taxable year.

13 D. The credit provided in this section may only be  
14 deducted from the taxpayer's income tax liability for the  
15 taxable year for which the credit is claimed.

16 E. For the purposes of this section, "family  
17 medical leave" means leave taken by an employee in connection  
18 with:

19 (1) the birth or adoption of a child of the  
20 employee; or

21 (2) the care of a child, spouse or parent of  
22 the employee who has a health condition that:

23 (a) necessitates inpatient care in a  
24 hospital, hospice or residential health care facility; or

25 (b) requires continuing treatment or

1 continuing supervision by a health care provider. "

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

4 " [NEW MATERIAL] CREDIT--EMPLOYEE FAMILY MEDICAL LEAVE PAID  
5 BY EMPLOYER. --

6 A. A taxpayer that is an employer and that files a  
7 corporate income tax return may claim a credit in an amount  
8 equal to twenty-five percent of the amount paid by the taxpayer  
9 in a taxable year for the salary or wage costs incurred in  
10 providing paid family medical leave to an employee.

11 B. A taxpayer that otherwise qualifies and claims a  
12 credit pursuant to Subsection A of this section and is a member  
13 of a partnership or business association that is the employer  
14 incurring the family medical leave cost may claim a credit only  
15 in proportion to the taxpayer's interest in the partnership or  
16 association. The total credit claimed by all members of the  
17 partnership or association shall not exceed twenty-five percent  
18 of the family medical leave cost paid by the partnership or  
19 association in the taxable year.

20 C. The credit provided in this section may only be  
21 deducted from the taxpayer's corporate income tax liability for  
22 the taxable year for which the credit is claimed.

23 D. For the purposes of this section, "family  
24 medical leave" means leave taken by an employee in connection  
25 with:

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1 (1) the birth or adoption of a child of the  
2 employee; or

3 (2) the care of a child, spouse or parent of  
4 the employee who has a health condition that:

5 (a) necessitates inpatient care in a  
6 hospital, hospice or residential health care facility; or

7 (b) requires continuing treatment or  
8 continuing supervision by a health care provider. "

9 Section 3. APPLICABILITY. --The provisions of this act  
10 apply to taxable years beginning on or after January 1, 2003.