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HOUSE BILL 7

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

INTRODUCED BY

Irvin Harrison

AN ACT

RELATING TO TAXATION; CREATING A GROSS RECEIPTS TAX CREDIT AND
OTHER TAX CREDITS FOR BUSINESSES IN THE HOSPITALITY INDUSTRY
WHEN EMPLOYERS FUND TRAINING FOR EMPLOYEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the
"Hospitality Training Tax Credit Act".

Section 2. DEFINITIONS.--As used in the Hospitality
Training Tax Credit Act:

- A. "department" means the taxation and revenue
department;
- B. "employee" means a person employed by one
employer in a hospitality business for more than twenty hours
per week as a retail manager or in a nonmanagement position;
- C. "employer" means a person engaged in a

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1 hospitality business;

2 D. "hospitality business" means a retail business
3 or nonprofit organization that employs people to interact with
4 tourists or other retail customers;

5 E. "hospitality training" means a program approved
6 by the tourism department providing customer service skills
7 training to employees who work with tourists and other retail
8 customers;

9 F. "state" means New Mexico; and

10 G. "taxpayer" means an employer:

11 (1) who is liable for payment of a tax;

12 (2) who is responsible for withholding and
13 payment over or collection and payment over of a tax; or

14 (3) to whom an assessment has been made, if
15 the assessment remains unabated or the amount of the assessment
16 has not been paid.

17 Section 3. HOSPITALITY TRAINING TAX CREDIT-- AMOUNT--
18 CLAIMANT. --

19 A. A taxpayer may claim a hospitality training tax
20 credit in an amount equal to the cost of hospitality training
21 paid for by the taxpayer and attended by employees of that
22 taxpayer. The amount of the tax credit claimed may not exceed
23 ten thousand dollars (\$10,000) per year per taxpayer.

24 B. The hospitality training tax credit may be
25 claimed against a taxpayer's liability for gross receipts tax

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1 or personal or corporate income tax due to the state.

2 C. The hospitality training tax credit claim shall
3 be submitted on a form provided by the department. The
4 taxpayer shall submit the hospitality training tax credit claim
5 at the time that the taxpayer submits a return for payment of
6 the tax against which the claim is made.

7 D. The hospitality training tax credit may be
8 claimed only against taxes owed in the tax year in which the
9 hospitality training was provided.

10 Section 4. HOSPITALITY TRAINING PROGRAMS. --

11 A. Prior to December 1, 2004, the tourism
12 department shall adopt and publish rules setting forth the
13 standards to be met by a hospitality training program to
14 provide hospitality training pursuant to the Hospitality
15 Training Tax Credit Act.

16 B. A hospitality training tax credit pursuant to
17 the provisions of the Hospitality Training Tax Credit Act may
18 be issued only for expenditures for training at a hospitality
19 training program approved by the tourism department.

20 Section 5. ADMINISTRATION. --The department shall
21 administer the Hospitality Training Tax Credit Act.

22 Section 6. APPLICABILITY. --The provisions of this act
23 apply to the 2005 and subsequent personal or corporate income
24 tax years.

25 Section 7. EFFECTIVE DATE. --The effective date of the

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1 provisions of this act is July 1, 2004.

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