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SENATE BILL 312

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Phil A. Griego

AN ACT

RELATING TO TAXATION; PROVIDING FOR INCOME TAX AND CORPORATE
INCOME TAX CREDITS FOR BUSINESSES ADVERSELY AFFECTED BY ROAD
CONSTRUCTION PROJECTS.

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] INCOME TAX-- CREDIT FOR REDUCTION IN
TAXABLE INCOME DUE TO HIGHWAY CONSTRUCTION. --

A. A taxpayer who files an individual New Mexico
income tax return, who is not a dependent of another individual
and who is an owner of a New Mexico business may claim, and the
department may allow, a tax credit in an amount equal to a
reduction in taxable income of the taxpayer from the previous
taxable year that occurs as the result of highway construction

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 by the department of transportation within one mile of the
2 taxpayer's business during that taxable year.

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

7 C. A credit provided in this section may only be
8 deducted from the taxpayer's income tax liability for the
9 taxable year. "

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

12 "[NEW MATERIAL] CORPORATE INCOME TAX--CREDIT FOR REDUCTION
13 IN TAXABLE INCOME DUE TO HIGHWAY CONSTRUCTION. --

14 A. A taxpayer that files a corporate income tax
15 return and that is a New Mexico business may claim, and the
16 department may allow, a tax credit in an amount equal to a
17 reduction in taxable income of the taxpayer from the previous
18 taxable year that occurs as the result of highway construction
19 by the department of transportation within one mile of the
20 taxpayer's business during that taxable year.

21 B. The credit provided by this section may only be
22 deducted from the taxpayer's corporate income tax liability for
23 the taxable year. "

24 Section 3. APPLICABILITY.--The provisions of this act
25 apply to taxable years beginning on or after January 1, 2005.

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