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SENATE BILL 869

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Sue Wilson Beffort

AN ACT

RELATING TO TAXATION; PROVIDING FOR INCOME TAX AND CORPORATE  
INCOME TAX CREDITS FOR THE PROVISION OF EMPLOYER-SPONSORED  
HEALTH INSURANCE.

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 COSTS OF PROVIDING  
EMPLOYER-SPONSORED HEALTH INSURANCE. --

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 a tax  
credit in an amount not to exceed five percent of the  
employer's cost of employer-sponsored health insurance  
provided to the taxpayer's employees or their dependents while

underscored material = new  
[bracketed material] = delete

1 the employees or their dependents are residents of New Mexico  
2 during the taxable year for which the credit is claimed if the  
3 taxpayer employs an average of fewer than ten employees during  
4 that taxable year and if a credit for providing employer-  
5 sponsored health insurance to those employees or their  
6 dependents is not claimed pursuant to the Corporate Income and  
7 Franchise Tax Act.

8 B. A taxpayer who claims a tax credit pursuant to  
9 Subsection A of this section may claim an additional tax  
10 credit in an amount not to exceed five percent of the  
11 employer's cost of providing employer-sponsored health  
12 insurance to the taxpayer's employees or their dependents  
13 while the employees or dependents are residents of New Mexico  
14 if the taxpayer has not provided employer-sponsored health  
15 insurance to the taxpayer's employees or their dependents  
16 within the previous twelve months.

17 C. A husband and wife who file separate returns  
18 for a taxable year in which they could have filed a joint  
19 return may each claim only one-half of the credit that would  
20 have been allowed on a joint return.

21 D. A credit provided in this section may only be  
22 deducted from the taxpayer's income tax liability for the  
23 taxable year. If the credit exceeds the taxpayer's income tax  
24 liability for the taxable year, the excess shall be refunded  
25 to the taxpayer.

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underscored material = new  
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1           E. For the purposes of this section, "employer-  
2 sponsored health insurance" means health insurance for which  
3 an employer completely or partially pays the costs for its  
4 employees or their dependents. "

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

7           " [NEW MATERIAL] CORPORATE INCOME TAX--CREDIT FOR COSTS OF  
8 PROVIDING EMPLOYER-SPONSORED HEALTH INSURANCE. --

9           A. A taxpayer that files a corporate income tax  
10 return and that is a New Mexico business may claim a tax  
11 credit in an amount not to exceed five percent of the  
12 employer's cost of employer-sponsored health insurance  
13 provided to the taxpayer's employees or their dependents while  
14 the employees or dependents are residents of New Mexico during  
15 the taxable year for which the credit is claimed if the  
16 taxpayer employs an average of fewer than ten employees during  
17 that taxable year and if a credit for providing employer-  
18 sponsored health insurance to those employees or their  
19 dependents is not claimed pursuant to the Income Tax Act.

20           B. A taxpayer that claims a tax credit pursuant to  
21 Subsection A of this section may claim an additional tax  
22 credit in an amount not to exceed five percent of the  
23 employer's cost of providing employer-sponsored health  
24 insurance to the taxpayer's employees or their dependents  
25 while the employees or dependents are residents of New Mexico

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underscored material = new  
[bracketed material] = delete

1 if the taxpayer has not provided employer-sponsored health  
2 insurance to the taxpayer's employees or their dependents  
3 within the previous twelve months.

4 C. A credit provided in this section may only be  
5 deducted from the taxpayer's corporate income tax liability  
6 for the taxable year. If the credit exceeds the taxpayer's  
7 corporate income tax liability for the taxable year, the  
8 excess shall be refunded to the taxpayer.

9 D. For the purposes of this section, "employer-  
10 sponsored health insurance" means health insurance for which  
11 an employer completely or partially pays the costs for its  
12 employees or their dependents."

13 Section 3. APPLICABILITY. -- The provisions of this act  
14 apply to taxable years beginning on or after January 1, 2007.