

**FIFTIETH LEGISLATURE  
SECOND SESSION, 2012**

February 13, 2012

Mr. Speaker:

Your **TAXATION AND REVENUE COMMITTEE**, to whom has been referred

**HOUSE BILL 258**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 20, strike "7-2-18.17 through" and insert in lieu thereof "7-2-18.18," and after "7-2-18.19," insert "7-2-18.21,".

2. On pages 65 through 70, strike Section 15 and insert in lieu thereof the following section:

**"SECTION 15.** Section 7-2A-17.1 NMSA 1978 (being Laws 2003, Chapter 400, Section 2) is amended to read:

**"7-2A-17.1. JOB MENTORSHIP TAX CREDIT.--**

A. To encourage New Mexico businesses to hire youth participating in career preparation education programs, a taxpayer that is a New Mexico business and that files a corporate income tax return may claim a credit in an amount equal to fifty percent of gross wages paid to qualified students who are employed by the taxpayer during the taxable year for which the return is filed. The tax credit provided by this section may be referred to as the "job mentorship tax credit".

B. A taxpayer may claim the job mentorship tax credit provided in this section for each taxable year in which the taxpayer employs one or more qualified students. The maximum aggregate credit allowable shall not exceed fifty percent of the gross wages paid to not more than ten qualified students employed by the taxpayer for up to three hundred twenty hours of employment of each qualified student in each taxable year for a maximum of three taxable years for each qualified student. In no event shall a taxpayer claim a credit in excess of twelve thousand dollars (\$12,000) in any taxable year. The employer shall certify that hiring the qualified student does not displace or replace a current employee.

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C. The department shall issue job mentorship tax credit certificates upon request to any accredited New Mexico secondary school that has a school-sanctioned career preparation education program. The maximum number of certificates that may be issued in a school year to any one school is equal to the number of qualified students in the school-sanctioned career preparation education program on October 15 of that school year, as certified by the school principal.

D. A job mentorship tax credit certificate may be executed by a school principal with respect to a qualified student, and the executed certificate may be transferred to a New Mexico business that employs that student. By executing the certificate with respect to a student, the school principal certifies that the school has a school-sanctioned career preparation education program and the student is a qualified student.

E. To claim the job mentorship tax credit, the taxpayer must submit with respect to each employee for whom the credit is claimed:

(1) a properly executed job mentorship tax credit certificate;

(2) information required by the secretary with respect to the employee's employment by the taxpayer during the taxable year for which the credit is claimed; and

(3) information required by the secretary that the employee was not also employed in the same taxable year by another New Mexico business qualifying for and claiming a job mentorship tax credit for that employee pursuant to this section or the Income Tax Act.

F. The job mentorship tax credit may only be deducted from the taxpayer's corporate income tax liability for the taxable year. Any portion of the maximum credit provided by this section that remains unused at the end of the taxpayer's taxable year may be carried forward for three consecutive taxable years; provided the total credits claimed pursuant to this section shall not exceed the maximum allowable under Subsection B of this section.

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G. Beginning in 2014 and at six-year intervals following 2014, the department shall present a report on the job mentorship tax credit provided pursuant to this section to the revenue stabilization and tax policy committee for review. The committee, with the aid of the department and the economic development department, shall determine if a need remains for the credit, if the credit is effectively being used for the purpose for which it was created and if the use of the credit is cost-effective. The credit may be proposed for repeal or amendment if it is found by the committee to be ineffective, more costly than is warranted by the purpose for which the credit was proposed or unused or otherwise no longer needed.

[G.] H. As used in this section:

(1) "career preparation education program" means a work-based learning or school-to-career program designed for secondary school students to create academic and career goals and objectives and find employment in a job meeting those goals and objectives;

(2) "New Mexico business" means a corporation that carries on a trade or business in New Mexico and that employs in New Mexico fewer than three hundred full-time employees during the taxable year; and

(3) "qualified student" means an individual who is at least fourteen years of age but not more than twenty-one years of age who is attending full time an accredited New Mexico secondary school and who is a participant in a career preparation education program sanctioned by the secondary school."".

Respectfully submitted,

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Edward C. Sandoval, Chairman

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 8 For 3 Against  
Yes: 8  
No: Bratton, Lewis, Strickler  
Excused: Dodge, Lujan, B., Wooley  
Absent: Roch

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