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SENATE BILL 201

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Mark L. Boitano

AN ACT

RELATING TO TAXATION; ENACTING A NEW SECTION OF THE INCOME TAX ACT TO PROVIDE A CREDIT FOR FAMILIES CARING FOR CHILDREN AT HOME.

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 FOR CHILD CARE AT HOME. --

A. Any resident who files an individual New Mexico income tax return and who is not a dependent of another taxpayer may claim a credit of three hundred fifty dollars (\$350) for caring for one or more dependents at home during the taxable year if:

(1) the resident or, if a joint return is filed, one spouse, is not gainfully employed for any period of

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1 the taxable year for which the credit is claimed; and

2 (2) the resident or, if a joint return is
3 filed, the spouse that is not gainfully employed, cares full
4 time for one or more qualifying dependents in the home for all
5 of the taxable year.

6 B. The credit provided in this section may only be
7 deducted from the taxpayer's New Mexico income tax liability
8 for the taxable year.

9 C. A husband and wife maintaining a household for
10 one or more qualifying dependents and filing separate returns
11 for a taxable year for which they could have filed a joint
12 return may each claim only one-half of the credit that would
13 have been claimed on a joint return.

14 D. As used in this section:

15 (1) "dependent" means "dependent" as defined
16 by Section 152 of the Internal Revenue Code of 1986, as that
17 section may be amended or renumbered;

18 (2) "gainfully employed" means working for
19 remuneration for others, either full time or part time, or
20 self-employment in a business, partnership or other legal
21 entity; and

22 (3) "qualifying dependent" means a dependent
23 who is twelve years of age or younger at the end of the
24 taxable year. "

25 Section 2. APPLICABILITY. --The provisions of this act

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apply to taxable years beginning on or after January 1, 1998.

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1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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5 February 17, 1999
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8 Mr. President:

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10 Your PUBLIC AFFAIRS COMMITTEE, to whom has been
11 referred

12
13 SENATE BILL 201
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15 has had it under consideration and reports same with
16 recommendation that it DO PASS, and thence referred to the
17 WAYS & MEANS COMMITTEE.

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19 Respectfully submitted,
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Shannon Robinson, Chairman

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Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Feldman, Garcia, Stockard, Smith

Absent: None

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