

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 14

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO TAXATION Sfl1→; ~~CREATING THE OIL AND GAS
EQUALIZATION SURTAX IN THE OIL AND GAS EMERGENCY SCHOOL TAX ACT
TO IMPOSE A TAX ON CERTAIN OIL PRODUCTS IF THE PRICE OF OIL
MEETS A CERTAIN THRESHOLD; DECREASING THE RATE OF THE OIL AND
GAS EMERGENCY SCHOOL TAX ON CERTAIN NATURAL GAS PRODUCTS;~~←Sfl1
REPEALING THE WORKING FAMILIES TAX CREDIT AND ENACTING THE
EARNED INCOME TAX CREDIT CC→STBTC→; ~~CREATING THE VOLUNTEER
EMERGENCY MEDICAL SERVICES INCOME TAX CREDIT AND THE VOLUNTEER~~

.231874.4AIC March 22, 2025 (10:06am)

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~~FIREFIGHTER INCOME TAX CREDIT; CREATING THE VOLUNTEER SEARCH AND RESCUE INCOME TAX CREDIT; CREATING THE LOCAL JOURNALIST EMPLOYMENT INCOME TAX CREDIT AND LOCAL JOURNALIST EMPLOYMENT CORPORATE INCOME TAX CREDIT; CREATING THE LOCAL NEWS PRINTER INCOME TAX CREDIT AND LOCAL NEWS PRINTER CORPORATE INCOME TAX CREDIT; CREATING THE FOSTER PARENT AND GUARDIAN INCOME TAX CREDIT; CREATING THE QUANTUM FACILITY INFRASTRUCTURE INCOME TAX CREDIT AND QUANTUM FACILITY INFRASTRUCTURE CORPORATE INCOME TAX CREDIT; AMENDING A GROSS RECEIPTS TAX DEDUCTION FOR HEALTH CARE PRACTITIONERS TO INCLUDE COINSURANCE PAID BY A PATIENT; DISTRIBUTING A PORTION OF THE GOVERNMENTAL GROSS RECEIPTS TAX TO A NEW UNIVERSITY SCHOOL OF MEDICINE FUND; REQUIRING THE UNIVERSITY OF NEW MEXICO SCHOOL OF MEDICINE TO MAKE DEPOSITS TO THE UNIVERSITY SCHOOL OF MEDICINE FUND; INCREASING LIQUOR EXCISE TAX RATES; CREATING A GAMING TAX EXEMPTION FOR A GAMING OPERATOR LICENSEE LOCATED IN AN AREA DECLARED AS A DISASTER AREA DUE TO A WILDFIRE; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA ~~←STBTC←~~ CC →; CREATING THE FOSTER PARENT AND GUARDIAN INCOME TAX CREDIT; AMENDING A GROSS RECEIPTS TAX DEDUCTION FOR HEALTH CARE PRACTITIONERS TO INCLUDE COINSURANCE PAID BY A PATIENT; INCREASING LIQUOR EXCISE TAX RATES; AMENDING THE DISTRIBUTIONS OF THE LIQUOR EXCISE TAX; CREATING THE TRIBAL ALCOHOL HARMS ALLEVIATION FUND; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978 ←CC .~~

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

Sf11 → ~~SECTION 1. Section 7-1-10 NMSA 1978 (being Laws 1965, Chapter 248, Section 15, as amended) is amended to read:~~

~~"7-1-10. RECORDS REQUIRED BY STATUTE--TAXPAYER RECORDS--ACCOUNTING METHODS--REPORTING METHODS--INFORMATION RETURNS.--~~

~~A. Every person required by the provisions of any statute administered by the department to keep records and documents and every taxpayer shall maintain books of account or other records in a manner that will permit the accurate computation of state taxes or provide information required by the statute under which the person is required to keep records.~~

~~B. Methods of accounting shall be consistent for the same business. A taxpayer engaged in more than one business may use a different method of accounting for each business.~~

~~C. Prior to changing the method of accounting in keeping books and records for tax purposes, a taxpayer shall first secure the consent of the secretary or the secretary's delegate. If consent is not secured, the department upon audit may require the taxpayer to compute the amount of tax due on the basis of the accounting method earlier used.~~

~~D. Prior to changing the method of reporting taxes, other than for changes required by law, a taxpayer shall first secure the consent of the secretary or the secretary's delegate. Consent shall be granted or withheld pursuant to the~~

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~~provisions of Section 7-4-19 NMSA 1978. If consent is not secured, the secretary or the secretary's delegate upon audit may require the taxpayer to compute the amount of tax due on the basis of the reporting method earlier used.~~

~~E. Upon the written application of a taxpayer and at the sole discretion of the secretary or the secretary's delegate, the secretary or the secretary's delegate may enter into an agreement with a taxpayer allowing the taxpayer to report values, gross receipts, deductions or the value of property on an estimated basis for gross receipts and compensating tax, oil and gas severance tax, oil and gas conservation tax, oil and gas emergency school tax, oil and gas equalization surtax and oil and gas ad valorem production tax purposes for a limited period of time not to exceed four years. As used in this section, "estimated basis" means a methodology that is reasonably expected to approximate the tax that will be due over the period of the agreement using summary rather than detail data or alternate valuation applications or methods, provided that:~~

~~(1) nothing in this section shall be construed to require the secretary or the secretary's delegate to enter into such an agreement; and~~

~~(2) the agreement must:~~

~~(a) specify the receipts, deductions or values to be reported on an estimated basis and the methodology~~

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~~to be followed by the taxpayer in making the estimates;~~

~~(b) state the term of the agreement and the procedures for terminating the agreement prior to its expiration;~~

~~(c) be signed by the taxpayer or the taxpayer's representative and the secretary or the secretary's delegate; and~~

~~(d) contain a declaration by the taxpayer or the taxpayer's representative that all statements of fact made by the taxpayer or the taxpayer's representative in the taxpayer's application and the agreement are true and correct as to every material matter.~~

~~F. The secretary may, by regulation, require any person doing business in the state to submit to the department information reports that are considered reasonable and necessary for the administration of any provision of law to which the Tax Administration Act applies."~~

~~SECTION 2. Section 7-31-2 NMSA 1978 (being Laws 1959, Chapter 54, Section 2, as amended) is amended to read:~~

~~"7-31-2. DEFINITIONS.--As used in the Oil and Gas Emergency School Tax Act:~~

~~A. ["commission"] "department" [or "division"] means the taxation and revenue department, the secretary of taxation and revenue or any employee of the department exercising authority lawfully delegated to that employee by the~~

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~~secretary;~~

~~B. "production unit" means a unit of property designated by the department from which products of common ownership are severed;~~

~~C. "severance" means the taking from the soil of any product in any manner whatsoever;~~

~~D. "value" means the actual price received from products at the production unit, except as otherwise provided in the Oil and Gas Emergency School Tax Act;~~

~~E. "product" or "products" means oil, including crude, slop or skim oil and condensate; natural gas; liquid hydrocarbon, including ethane, propane, isobutene, normal butane and pentanes plus, individually or any combination thereof; and non-hydrocarbon gases, including carbon dioxide and helium;~~

~~F. "operator" means any person:~~

~~(1) engaged in the severance of products from a production unit; or~~

~~(2) owning an interest in any product at the time of severance who receives a portion or all of such product for the person's interest;~~

~~G. "purchaser" means a person who is the first purchaser of a product after severance from a production unit, except as otherwise provided in the Oil and Gas Emergency School Tax Act;~~

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~~H. "person" means any individual, estate, trust, receiver, business trust, corporation, firm, copartnership, cooperative, joint venture, association, limited liability company or other group or combination acting as a unit, and the plural as well as the singular number;~~

~~I. "interest owner" means a person owning an entire or fractional interest of whatsoever kind or nature in the products at the time of severance from a production unit or who has a right to a monetary payment that is determined by the value of such products;~~

~~J. "stripper well property" means a crude oil or natural gas producing property that is assigned a single production unit number by the department and is certified by the oil conservation division of the energy, minerals and natural resources department pursuant to the Natural Gas and Crude Oil Production Incentive Act to have produced in the preceding calendar year:~~

~~(1) if a crude oil producing property, an average daily production of less than ten barrels of oil per eligible well per day;~~

~~(2) if a natural gas producing property, an average daily production of less than sixty thousand cubic feet of natural gas per eligible well per day; or~~

~~(3) if a property with wells that produce both crude oil and natural gas, an average daily production of less~~

~~than ten barrels of oil per eligible well per day, as determined by converting the volume of natural gas produced by the well to barrels of oil by using a ratio of six thousand cubic feet to one barrel of oil;~~

~~K. "average annual taxable value" means as applicable:~~

~~(1) the average of the taxable value per one thousand cubic feet, determined pursuant to Section 7-31-5 NMSA 1978, of all natural gas produced in New Mexico for the specified calendar year as determined by the department; or~~

~~(2) the average of the taxable value per barrel, determined pursuant to Section 7-31-5 NMSA 1978, of all oil produced in New Mexico for the specified calendar year as determined by the department;~~

~~L. "tax" means the oil and gas emergency school tax and the oil and gas equalization surtax; and~~

~~M. "volume" means the quantity of product severed reported using:~~

~~(1) oil, condensate and slop oil in barrels;~~

~~and~~

~~(2) natural gas, liquid hydrocarbons, helium and carbon dioxide in thousand cubic feet at a pressure base of fifteen and twenty-five thousandths pounds per square inch."~~

~~SECTION 3. Section 7-31-4 NMSA 1978 (being Laws 1959, Chapter 54, Section 4, as amended) is amended to read:~~

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~~"7-31-4. PRIVILEGE TAX LEVIED--COLLECTED BY DEPARTMENT--
RATE--INTEREST OWNER'S LIABILITY TO STATE--INDIAN LIABILITY.--~~

~~A. There is [levied] imposed and shall be collected
by the department a privilege tax, to be referred to as the
"oil and gas emergency school tax", on [the business of every
person severing products in this state] all products that are
severed and sold. The measure of the tax shall be:~~

~~(1) on oil and on oil and other liquid
hydrocarbons removed from natural gas at or near the wellhead,
except as provided in Paragraphs (4) and (5) of this
subsection, three and [fifteen hundredths] fifteen-hundredths
percent of the taxable value determined pursuant to Section
7-31-5 NMSA 1978;~~

~~(2) on carbon dioxide, helium and non-
hydrocarbon gases, three and [fifteen hundredths] fifteen-
hundredths percent of the taxable value determined pursuant to
Section 7-31-5 NMSA 1978;~~

~~(3) on natural gas, except as provided in
Paragraphs (6) and (7) of this subsection, [four] three and
nine-tenths percent of the taxable value determined pursuant to
Section 7-31-5 NMSA 1978;~~

~~(4) on the oil and on other liquid
hydrocarbons removed from natural gas at or near the wellhead
from a stripper well property, one and fifty-eight hundredths
percent of the taxable value determined pursuant to Section~~

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~~7-31-5 NMSA 1978, provided that the average annual taxable value of oil was equal to or less than fifteen dollars (\$15.00) per barrel in the calendar year preceding July 1 of the fiscal year in which the tax rate is to be imposed;~~

~~(5) on the oil and on other liquid~~

~~hydrocarbons removed from natural gas at or near the wellhead from a stripper well property, two and thirty-six hundredths percent of the taxable value determined pursuant to Section 7-31-5 NMSA 1978, provided that the average annual taxable value of oil was greater than fifteen dollars (\$15.00) per barrel but not more than eighteen dollars (\$18.00) per barrel in the calendar year preceding July 1 of the fiscal year in which the tax rate is to be imposed;~~

~~(6) on the natural gas removed from a stripper~~

~~well property, two percent of the taxable value determined pursuant to Section 7-31-5 NMSA 1978, provided that the average annual taxable value of natural gas was equal to or less than one dollar fifteen cents (\$1.15) per thousand cubic feet in the calendar year preceding July 1 of the fiscal year in which the tax rate is to be imposed; and~~

~~(7) on the natural gas removed from a stripper~~

~~well property, three percent of the taxable value determined pursuant to Section 7-31-5 NMSA 1978, provided that the average annual taxable value of natural gas was greater than one dollar fifteen cents (\$1.15) per thousand cubic feet but not more than~~

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~~one dollar thirty-five cents (\$1.35) per thousand cubic feet in the calendar year preceding July 1 of the fiscal year in which the tax rate is to be imposed.~~

~~B. Every interest owner, for the purpose of levying this tax, is deemed to be in the business of severing products and is liable for this tax to the extent of [his] the owner's interest in the value of the products or to the extent of [his] the owner's interest as may be measured by the value of the products.~~

~~C. Any Indian tribe, Indian pueblo or Indian is liable for this tax to the extent authorized or permitted by law."~~

~~SECTION 4. A new section of the Oil and Gas Emergency School Tax Act, Section 7-31-4.1 NMSA 1978, is enacted to read:~~

~~"7-31-4.1. [NEW MATERIAL] OIL AND GAS EQUALIZATION SURTAX.~~

~~A. Except as provided in Subsection B of this section, in addition to the oil and gas emergency school tax, there is imposed and shall be collected by the department a surtax, to be referred to as the "oil and gas equalization surtax", on products that are STBTC ~~oil and~~ STBTC oil and other liquid hydrocarbons removed from natural gas at or near the wellhead and severed and sold. If the average price of west Texas intermediate crude in the previous quarter is greater than or equal to fifty-five dollars (\$55.00) per~~

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~~barrel, the rate of the surtax is twenty-eight hundredths percent of the taxable value STBTC, as determined pursuant to Section 7-31-5 NMSA 1978, STBTC of the products that are severed and sold in the ensuing quarter.~~

~~B. If the average price of west Texas intermediate crude in the previous quarter is less than fifty-five dollars (\$55.00) per barrel, no surtax in the ensuing quarter shall be levied pursuant to this section.~~

~~C. Any Indian tribe, Indian pueblo or Indian is liable for the surtax to the extent authorized or permitted by law."~~

~~SECTION 5. Section 7-31-7 NMSA 1978 (being Laws 1959, Chapter 54, Section 7, as amended) is amended to read:~~

~~"7-31-7. PRICE INCREASE SUBJECT TO APPROVAL OF AGENCY OF UNITED STATES OF AMERICA, STATE OF NEW MEXICO OR COURT-- REFUND.--When an increase in the value of any product is subject to the approval of any agency of the United States of America or the state of New Mexico or any court, the increased value shall be subject to [this] tax. In the event the increase in value is disapproved, either in whole or in part, then the amount of tax [which] that has been paid on the disapproved part of the value shall be considered excess tax. Any person who has paid any such excess tax may apply for a refund of that excess tax in accordance with the provisions of Section 7-1-26 NMSA 1978."~~

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~~SECTION 6. Section 7-31-8 NMSA 1978 (being Laws 1959, Chapter 54, Section 8) is amended to read:~~

~~"7-31-8. PRODUCTS ON WHICH TAX HAS BEEN LEVIED--
[REGULATION BY COMMISSION] DEPARTMENT RULE.--[This tax] The oil and gas emergency school tax and the oil and gas equalization surtax shall not be levied more than once on the same product. Reporting of products on which [this] tax has been paid shall be subject to [the regulation of the commission] department rule."~~

~~SECTION 7. Section 7-31-26 NMSA 1978 (being Laws 1991, Chapter 9, Section 38) is amended to read:~~

~~"7-31-26. ADVANCE PAYMENT REQUIRED.--~~

~~A. Any person required to make payment of tax pursuant to Section 7-31-10 or 7-31-11 NMSA 1978 shall make the advance payment required by this section.~~

~~B. For the purposes of this section:~~

~~(1) "advance payment" means the payment required to be made by this section in addition to any oil and gas emergency school tax and oil and gas equalization surtax, penalty or interest due; and~~

~~(2) "average tax" means the aggregate amount of tax, [net of] less any refunds or credits, paid by a person during the twelve-month period ending March 31 pursuant to the Oil and Gas Emergency School Tax Act divided by the number of months during that period for which the person made payment.~~

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~~C. Each year, prior to July 1, each person required to pay tax pursuant to the Oil and Gas Emergency School Tax Act shall compute the average tax for the period ending March 31 of that year. The average tax calculated for a year shall be used during the twelve-month period beginning with July of that year and ending with June of the following year as the basis for making the advance payments required by Subsection D of this section.~~

~~D. Every month, beginning with July 1991, every person required to pay tax in a month pursuant to the Oil and Gas Emergency School Tax Act shall pay, in addition to any amount of tax, interest or penalty due, an advance payment in an amount equal to the applicable average tax, except:~~

~~(1) if the person is making a final return under the Oil and Gas Emergency School Tax Act, no advance payment pursuant to this subsection is due for that return; and~~

~~(2) as provided in Subsection F of this section.~~

~~E. Every month, beginning with tax payments in August 1991, every person required to pay tax pursuant to the Oil and Gas Emergency School Tax Act may claim a credit equal to the amount of advance payment made in the previous month, except as provided in Subsection F of this section.~~

~~F. If, in any month, a person is not required to pay tax pursuant to the Oil and Gas Emergency School Tax Act,~~

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~~that person is not required to pay the advance payment and may not claim a credit pursuant to Subsection E of this section; provided that, in any succeeding month when the person has liability under the Oil and Gas Emergency School Tax Act, the person may claim a credit for any advance payment made and not credited.~~

~~G. In the event that the date by which a person is required to pay the tax pursuant to the Oil and Gas Emergency School Tax Act is accelerated to a date earlier than the twenty-fifth day of the second month following the month of production, the advance payment provision contained in this section is [null and] void and any money held as advance payments shall be credited to the taxpayers' accounts."~~←Sf11

SECTION CC→Sf11→8.←Sf11 Sf11→1.←Sf11←CC CC→1.←CC

Section 7-2-18.15 NMSA 1978 (being Laws 2007, Chapter 45, Section 9, as amended) is repealed and a new Section 7-2-18.15 NMSA 1978 is enacted to read:

"7-2-18.15. [NEW MATERIAL] EARNED INCOME TAX CREDIT.--

A. The credit provided by this section may be referred to as the "earned income tax credit". A taxpayer who is an eligible individual may claim the earned income tax credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act in an amount equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income amount; provided that the

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amount of the credit shall not exceed the excess of:

(1) the credit percentage of the earned income amount; over

(2) the phaseout percentage of so much of the adjusted gross income or, if greater, the earned income, of the taxpayer for the taxable year as exceeds the phaseout amount.

B. The credit percentage and the phaseout percentage shall be determined as follows:

In the case of a taxpayer with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child	11.55%	4.55%
2 qualifying children	13.6%	6.15%
3 or more qualifying children	15.3%	6.15%
No qualifying children	2.6%	2.1%.

C. Except as provided in Subsections E and F of this section, the earned income amount and the phaseout amount shall be determined as follows:

In the case of a taxpayer with:	The earned income amount is:	The phaseout amount is:
1 qualifying child	\$11,000	\$36,000
2 or more qualifying children	\$15,000	\$40,000
No qualifying children	\$8,000	\$25,000.

D. For married individuals filing joint returns, the phaseout amount shall be increased by five thousand dollars

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(\$5,000).

E. Except as provided in Subsection F of this section, if the greater of an eligible individual's earned income or adjusted gross income is less than the earned income amount and the amount of credit is less than one hundred dollars (\$100), the amount of the credit shall be one hundred dollars (\$100).

F. For the 2026 taxable year and each subsequent taxable year, the earned income amounts and phaseout amounts shown in the table in Subsection C of this section, the amount of credit provided in Subsection E of this section and the phaseout amount provided in Subsection D of this section shall be adjusted to account for inflation. The department shall make the adjustment by multiplying each amount of credit by a fraction, the numerator of which is the consumer price index ending during the prior taxable year and the denominator of which is the consumer price index ending in taxable year 2025. The result of the multiplication shall be rounded to the nearest ten dollars (\$10.00), except that if the result would be an amount less than the corresponding amount for the preceding taxable year, then no adjustment shall be made.

G. The secretary shall reflect the provisions of Subsections B and C of this section in tables that shall have income brackets of not greater than fifty dollars (\$50.00) each for:

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(1) earned income between zero and the amount of earned income at which the credit is phased out under Subsection C of this section; and

(2) adjusted gross income between the dollar amount at which the phase out begins under Subsection C of this section and the amount of adjusted gross income at which the credit is phased out under that subsection.

H. That portion of credit that exceeds a taxpayer's tax liability in the taxable year in which the credit is claimed shall be refunded. A refund made to a taxpayer pursuant to this section shall not be treated as income.

I. A taxpayer allowed a tax credit pursuant to this section shall report the amount of the credit to the department in a manner required by the department.

J. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the total annual aggregate cost of the credit.

K. As used in this section:

(1) "earned income" means "earned income" as defined in 26 U.S.C. 32(c)(2);

(2) "eligible individual" means a resident who is:

(a) an "eligible individual" pursuant to the federal earned income tax credit who is eligible to claim

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the federal earned income tax credit in the taxable year; or

(b) an individual who would have been eligible for the federal earned income tax credit but for the:

1) identification number requirement pursuant to 26 U.S.C. 32(m), as that section may be amended or renumbered; or 2) the age requirement pursuant to 26 U.S.C. 32(c)(1)(A)(ii)(II), as that section may be amended or renumbered; provided that the taxpayer is at least eighteen years of age but has not reached the age of twenty-five;

(3) "federal earned income tax credit" means the federal tax credit allowed pursuant to 26 U.S.C. 32, as that section may be amended or renumbered; and

(4) "qualifying child" means "qualifying child" as defined by Section 152(c) of the Internal Revenue Code, as that section may be amended or renumbered, but includes any minor child or stepchild of the taxpayer who would be a qualifying child for federal income tax purposes if the public assistance contributing to the support of the child or stepchild was considered to have been contributed by the taxpayer."

~~CC→STBTC→SECTION Sfl1→9.←Sfl1 Sfl1→2.←Sfl1 A new section of the Income Tax Act is enacted to read:~~

~~"[NEW MATERIAL] VOLUNTEER EMERGENCY MEDICAL SERVICES INCOME TAX CREDIT.--~~

~~A. For taxable years ending prior to January 1,~~

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~~2030, a taxpayer who is not a dependent of another individual, is an eligible emergency medical services volunteer and volunteers in New Mexico with an emergency medical service agency or ambulance certified by the bureau at least fifty-two times in a taxable year may claim a tax credit against the taxpayer's tax liability for that taxable year imposed pursuant to the Income Tax Act. The tax credit provided in this section may be referred to as the "volunteer emergency medical services income tax credit".~~

~~B. The volunteer emergency medical services income tax credit shall be in an amount equal to five hundred dollars (\$500).~~

~~C. A taxpayer shall apply for certification of eligibility from the bureau on forms and in the manner prescribed by the bureau. The application shall include proof that the taxpayer was an active emergency medical services volunteer for the entire taxable year for which the credit is being claimed and volunteered in New Mexico with an emergency medical service agency or ambulance certified by the bureau at least fifty-two times in the taxable year.~~

~~D. If the bureau determines that a taxpayer meets the requirements to claim the tax credit, the bureau shall issue to the taxpayer a dated certificate of eligibility providing the amount of the tax credit for which the taxpayer is eligible and the taxable year in which the credit may be~~

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~~claimed. The aggregate amount of tax credits that may be certified for any calendar year is two million dollars (\$2,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met in a calendar year shall not be approved. The bureau shall provide the department with the certificates of eligibility issued pursuant to this subsection in an electronic format at regularly agreed-upon intervals.~~

~~E. A taxpayer allowed to claim the tax credit shall claim the tax credit in a manner prescribed by the department. A taxpayer shall not be allowed to claim the tax credit for the same taxable year the taxpayer has claimed the volunteer firefighter income tax credit.~~

~~F. That portion of the tax credit that exceeds a taxpayer's tax liability in the taxable year in which the tax credit is claimed shall be refunded to the taxpayer.~~

~~G. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.~~

~~H. As used in this section:~~

~~(1) "bureau" means the emergency medical systems bureau of the public health division of the department of health;~~

~~(2) "eligible emergency medical services~~

~~volunteer" means a person who is licensed by the bureau and who functions within the emergency medical services system to provide initial emergency medical services as an unpaid volunteer with an emergency medical service agency or ambulance certified by the bureau;~~

~~(3) "emergency medical services" means the services rendered in response to an individual's need for immediate medical care to prevent loss of life or aggravation of physical or psychological illness or injury;~~

~~(4) "emergency medical services system" means a coordinated system of health care delivery that responds to the needs of the sick and injured and includes emergency medical services and emergency medical dispatch; and~~

~~(5) "to volunteer" includes responding to requests for emergency medical service or providing in a day at least one hour of on-duty volunteer station time."~~

~~SECTION Sfl1→10.←Sfl1 Sfl1→3.←Sfl1 A new section of the Income Tax Act is enacted to read:~~

~~"[NEW MATERIAL] VOLUNTEER FIREFIGHTER INCOME TAX CREDIT.--~~

~~A. For taxable years ending prior to January 1, 2030, a taxpayer who is not a dependent of another individual, is an eligible volunteer firefighter and volunteers in New Mexico with a fire department approved by the state fire marshal's office at least fifty-two times in a taxable year may claim a tax credit against the taxpayer's tax liability for~~

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~~that taxable year imposed pursuant to the Income Tax Act. The tax credit provided in this section may be referred to as the "volunteer firefighter income tax credit".~~

~~B. The volunteer firefighter income tax credit shall be in an amount equal to five hundred dollars (\$500).~~

~~C. A taxpayer shall apply for certification of eligibility from the state fire marshal's office on forms and in the manner prescribed by that office. The application shall include proof that the taxpayer was an active volunteer for the entire taxable year for which the credit is being claimed and volunteered in New Mexico with a fire department approved by the state fire marshal's office at least fifty-two times in the taxable year.~~

~~D. If the state fire marshal's office determines that a taxpayer meets the requirements to claim the tax credit, the office shall issue to the taxpayer a dated certificate of eligibility providing the amount of the tax credit for which the taxpayer is eligible and the taxable year in which the credit may be claimed. The aggregate amount of tax credits that may be certified for any calendar year is two million dollars (\$2,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved. The state fire marshal's office shall provide the department with the certificates of eligibility issued pursuant to this~~

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~~subsection in an electronic format at regularly agreed-upon intervals.~~

~~E. A taxpayer allowed to claim the tax credit shall claim the tax credit in a manner prescribed by the department.~~

~~A taxpayer shall not be allowed to claim the tax credit for the same taxable year the taxpayer has claimed the volunteer emergency medical services income tax credit.~~

~~F. That portion of the tax credit that exceeds a taxpayer's tax liability in the taxable year in which the tax credit is claimed shall be refunded to the taxpayer.~~

~~G. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.~~

~~H. As used in this section:~~

~~(1) "eligible volunteer firefighter" means a firefighter who is listed as an active member on the rolls of a fire department certified by the state fire marshal's office and who provides firefighter services as an unpaid volunteer; and~~

~~(2) "to volunteer" includes responding to requests for a fire department service and providing in a day at least one hour of on-duty station time."~~ ←STBTG ←CC

CC → STBTG → SECTION Sfl1 → 11. ← Sfl1 Sfl1 → 4. ← Sfl1 A new section of the Income Tax Act is enacted to read:

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~~"[NEW MATERIAL] VOLUNTEER SEARCH AND RESCUE INCOME TAX CREDIT.--~~

~~A. For taxable years ending prior to January 1, 2030, a taxpayer who is not a dependent of another individual and volunteers in New Mexico at least six times or for at least sixty hours in a taxable year may claim a tax credit against the taxpayer's tax liability for that taxable year imposed pursuant to the Income Tax Act. The tax credit provided in this section may be referred to as the "volunteer search and rescue income tax credit".~~

~~B. The volunteer search and rescue income tax credit shall be in an amount equal to:~~

~~(1) two hundred fifty dollars (\$250) if the taxpayer volunteers between six and eleven times or volunteers for a total of between sixty and one hundred twenty hours; or~~

~~(2) five hundred dollars (\$500) if the taxpayer volunteers twelve times or more or volunteers for a total of at least one hundred twenty hours.~~

~~G. A taxpayer shall apply for certification of eligibility from the resource officer on forms and in the manner prescribed by the resource officer. If the resource officer determines that a taxpayer meets the requirements to claim the tax credit, the resource officer shall issue to the taxpayer a dated certificate of eligibility providing the amount of the tax credit for which the taxpayer is eligible and~~

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~~the taxable year in which the credit may be claimed. The aggregate amount of tax credits that may be certified for any calendar year shall not exceed one million five hundred thousand dollars (\$1,500,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved. The resource officer shall provide the department with the certificates of eligibility issued pursuant to this subsection in an electronic format at regularly agreed-upon intervals.~~

~~D. A taxpayer allowed to claim the tax credit shall claim the tax credit in a manner prescribed by the department.~~

~~E. That portion of the tax credit that exceeds a taxpayer's tax liability in the taxable year in which the tax credit is claimed shall be refunded to the taxpayer.~~

~~F. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the volunteer search and rescue income tax credit that would have been claimed on a joint return.~~

~~G. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the credit.~~

~~H. As used in this section:~~

~~(1) "mission" means each separate group effort~~

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~~of search and rescue that is approved and issued a mission number by the New Mexico state police division of the department of public safety;~~

~~(2) "resource officer" means the state search and rescue resource officer in the department of public safety;~~

~~(3) "search and rescue" means the employment, coordination and utilization of available resources and personnel in searching for, rendering aid to and preserving the lives of people lost, stranded, entrapped, injured or in distress and removing these people from the site of a disaster, emergency or hazard to a place of safety; and~~

~~(4) "volunteer" means participating in a search and rescue mission as a nonsalaried volunteer."~~ STBTC

STBTC → SECTION Sfl1 → 12. ← Sfl1 Sfl1 → 5. ← Sfl1 A new section of the Income Tax Act is enacted to read:

~~"[NEW MATERIAL] LOCAL JOURNALIST EMPLOYMENT INCOME TAX CREDIT.--~~

~~A. For taxable years ending prior to January 1, 2030, a taxpayer who is not a dependent of another individual and is an owner of a local news organization that employs a journalist may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act in an amount provided in Subsection B of this section. The tax credit provided by this section may be referred to as the "local journalist employment income tax credit".~~

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~~B. The amount of tax credit shall be in an amount equal to fifteen percent of compensation paid to each journalist employed by a local news organization.~~

~~C. A taxpayer shall apply for certification of eligibility for the tax credit from the department on forms and in the manner prescribed by the department within one year following the end of the calendar year in which the compensation is paid. A taxpayer shall not be eligible to receive a tax credit for more than seventy-five journalists whom the taxpayer employs as a local news organization and, except as provided in Subsections G and H of this section, a taxpayer shall not claim a tax credit for the same journalist more than once per taxable year.~~

~~D. The total annual aggregate amount of local journalist employment income tax credits and local journalist employment corporate income tax credits that may be certified in a calendar year shall not exceed two million dollars (\$2,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved.~~

~~E. If the department determines that the taxpayer meets the requirements of this section, the department shall issue a dated certificate of eligibility to the taxpayer providing the amount of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be~~

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~~claimed.~~

~~F. That portion of tax credit that exceeds a taxpayer's income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.~~

~~G. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the tax credit that would have been claimed on a joint return.~~

~~H. A taxpayer may be allocated the right to claim the tax credit in proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and the business entity has met all requirements to be eligible for the credit. The total credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit pursuant to this section.~~

~~I. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department.~~

~~J. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.~~

~~K. As used in this section:~~

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~~(1) "compensation" means not more than fifty thousand dollars (\$50,000) in compensation paid by a local news organization to a journalist through the organization's payroll system, including that compensation that the journalist elects to defer or redirect or the journalist's contribution to a 401(k) or cafeteria plan program. "Compensation" does not mean benefits or the organization's share of payroll taxes, social security or medicare contributions, federal or state unemployment insurance contributions or workers' compensation;~~

~~(2) "journalist" means a person who:~~

~~(a) is paid by a local news organization to regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns state or local events or other matters of public interest for dissemination to the state or a local community through reporting activities, including conducting interviews, observing current events or analyzing documents;~~

~~(b) resides within fifty miles of the coverage area assigned by the local news organization; and~~

~~(c) works as a journalist for the local news organization for at least twenty-five percent of the taxable year in which the credit is claimed; and~~

~~(3) "local news organization" means an entity that:~~

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~~(a) provides a print or digital publication that engages professionals who regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns events in New Mexico or a local community in New Mexico or other matters of public interest for dissemination to New Mexico or a local community in New Mexico through reporting activities, including conducting interviews, observing current events or analyzing documents;~~

~~(b) pays at least one individual, either through employment or by contract with the entity, as a journalist;~~

~~(c) in the case of print publications, has published at least one print publication per month over the previous twenty-four months and holds a valid United States postal service periodical permit or has at least thirty percent of its content dedicated to news concerning New Mexico or a local community in New Mexico;~~

~~(d) in the case of digital-only entities, has published at least four originally produced stories about New Mexico or a local community in New Mexico per week over the previous twenty-four months and has at least fifty percent of its digital audience in New Mexico, averaged over a twelve-month period;~~

~~(e) discloses in its print publication~~

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~~or on its website its beneficial ownership or, in the case of a not-for-profit entity, its board of directors;~~

~~(f) in the case of an organization that demonstrates to the department that the organization has been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the Internal Revenue Code, has declared the coverage of state or local news as the stated mission in its filings with the federal internal revenue service;~~

~~(g) has not received more than ten percent of its gross receipts for the previous year from political action committees or other entities described in Section 527 of the Internal Revenue Code, or from an organization that has been granted exemption from the federal income tax by the United States commissioner of internal revenue as an organization described in Section 501(c)(4) or 501(c)(6) of the Internal Revenue Code; and~~

~~(h) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary."~~

~~SECTION Sfl1→13.←Sfl1 Sfl1→6.←Sfl1 A new section of the Corporate Income and Franchise Tax Act is enacted to read:~~

~~"[NEW MATERIAL] LOCAL JOURNALIST EMPLOYMENT CORPORATE INCOME TAX CREDIT.--~~

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~~A. For taxable years ending prior to January 1, 2030, a taxpayer that is a local news organization that employs a journalist may claim a credit against the taxpayer's tax liability imposed pursuant to the Corporate Income and Franchise Tax Act in an amount provided in Subsection B of this section. The tax credit provided by this section may be referred to as the "local journalist employment corporate income tax credit".~~

~~B. The amount of tax credit shall be in an amount equal to fifteen percent of compensation paid to each journalist employed by a local news organization.~~

~~C. A taxpayer shall apply for certification of eligibility for the tax credit from the department on forms and in the manner prescribed by the department within one year following the end of the calendar year in which the compensation is paid. A taxpayer shall not be eligible to receive a tax credit for more than seventy-five journalists whom the taxpayer employs as a local news organization, and a taxpayer shall not claim a tax credit for the same journalist more than once per taxable year.~~

~~D. The total annual aggregate amount of local journalist employment corporate income tax credits and local journalist employment income tax credits that may be certified in a calendar year shall not exceed two million dollars (\$2,000,000). Completed applications shall be considered in~~

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~~the order received, and applications received after the limitation has been met shall not be approved.~~

~~E. If the department determines that the taxpayer meets the requirements of this section, the department shall issue a dated certificate of eligibility to the taxpayer providing the amount of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed.~~

~~F. That portion of tax credit that exceeds a taxpayer's corporate income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.~~

~~G. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department.~~

~~H. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.~~

~~I. As used in this section:~~

~~(1) "compensation" means not more than fifty thousand dollars (\$50,000) in compensation paid by a local news organization to a journalist through the organization's payroll system, including that compensation that the journalist elects to defer or redirect or the journalist's contribution to a~~

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~~401(k) or cafeteria plan program. "Compensation" does not mean benefits or the organization's share of payroll taxes, social security or medicare contributions, federal or state unemployment insurance contributions or workers' compensation;~~

~~(2) "journalist" means a person who:~~

~~(a) is paid by a local news organization to regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns state or local events or other matters of public interest for dissemination to the state or a local community through reporting activities, including conducting interviews, observing current events or analyzing documents;~~

~~(b) resides within fifty miles of the coverage area assigned by the local news organization; and~~

~~(c) works as a journalist for the local news organization for at least twenty-five percent of the taxable year in which the credit is claimed; and~~

~~(3) "local news organization" means an entity that:~~

~~(a) provides a print or digital publication that engages professionals who regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns events in New Mexico or a local community in New~~

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~~Mexico or other matters of public interest for dissemination to New Mexico or a local community in New Mexico through reporting activities, including conducting interviews, observing current events or analyzing documents;~~

~~(b) pays at least one individual, either through employment or by contract with the entity, as a journalist;~~

~~(c) in the case of print publications, has published at least one print publication per month over the previous twenty-four months and holds a valid United States postal service periodical permit or has at least thirty percent of its content dedicated to news concerning New Mexico or a local community in New Mexico;~~

~~(d) in the case of digital-only entities, has published at least four originally produced stories about New Mexico or a local community in New Mexico per week over the previous twenty-four months and has at least fifty percent of its digital audience in New Mexico, averaged over a twelve-month period;~~

~~(e) discloses in its print publication or on its website its beneficial ownership or, in the case of a not-for-profit entity, its board of directors;~~

~~(f) in the case of an organization that demonstrates to the department that the organization has been granted exemption from the federal income tax by the United~~

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~~States commissioner of internal revenue as organizations described in Section 501(c)(3) of the Internal Revenue Code, has declared the coverage of state or local news as the stated mission in its filings with the federal internal revenue service;~~

~~(g) has not received more than ten percent of its gross receipts for the previous year from political action committees or other entities described in Section 527 of the Internal Revenue Code, or from an organization that has been granted exemption from the federal income tax by the United States commissioner of internal revenue as an organization described in Section 501(c)(4) or 501(c)(6) of the Internal Revenue Code; and~~

~~(h) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary."~~ ←STBTC

STBTC →SECTION Sfl1→14. ←Sfl1 Sfl1→7. ←Sfl1 A new section of the Income Tax Act is enacted to read:

~~"[NEW MATERIAL] LOCAL NEWS PRINTER INCOME TAX CREDIT.--~~

~~A. For taxable years ending prior to January 1, 2030, a taxpayer who is not a dependent of another individual and is an owner of a local news printer that employs a qualified employee may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act in an amount provided in Subsection B of this section. The tax~~

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~~credit provided by this section may be referred to as the "local news printer income tax credit".~~

~~B. The amount of tax credit shall be in an amount equal to the compensation paid to each qualified employee employed by a local news printer in the taxable year for which the tax credit is claimed, not to exceed:~~

~~(1) ten thousand dollars (\$10,000) for a qualified employee working an average of twenty hours or more per week in the taxable year; and~~

~~(2) five thousand dollars (\$5,000) for a qualified employee working an average of less than twenty hours per week in the taxable year.~~

~~C. A taxpayer shall apply for certification of eligibility for the tax credit from the department on forms and in the manner prescribed by the department within one year following the end of the calendar year in which the compensation is paid. A taxpayer shall not be eligible to receive a tax credit for more than one hundred qualified employees whom the taxpayer employs as a local news printer and, except as provided in Subsections G and H of this section, only one tax credit shall be certified for each qualified employee employed by a local news printer per taxable year.~~

~~D. The total annual aggregate amount of local news printer income tax credits and local news printer corporate income tax credits that may be certified in a calendar year~~

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~~shall not exceed one million dollars (\$1,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved.~~

~~E. If the department determines that the taxpayer meets the requirements of this section, the department shall issue a dated certificate of eligibility to the taxpayer providing the amount of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed.~~

~~F. That portion of tax credit that exceeds a taxpayer's income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.~~

~~G. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the tax credit that would have been claimed on a joint return.~~

~~H. A taxpayer may be allocated the right to claim the tax credit in proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and the business entity has met all requirements to be eligible for the credit. The total credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit~~

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~~pursuant to this section.~~

~~I. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department.~~

~~J. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the credit.~~

~~K. As used in this section:~~

~~(1) "compensation" means compensation paid by a local news printer to a qualified employee through the organization's payroll system, including that compensation that the qualified employee elects to defer or redirect or the qualified employee's contribution to a 401(k) or cafeteria plan program. "Compensation" does not mean benefits or the organization's share of payroll taxes, social security or medicare contributions, federal or state unemployment insurance contributions or workers' compensation;~~

~~(2) "local news organization" means an entity that:~~

~~(a) provides a print or digital publication that engages professionals who regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns events in New Mexico or a local community in New~~

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~~Mexico or other matters of public interest for dissemination to New Mexico or a local community in New Mexico through reporting activities, including conducting interviews, observing current events or analyzing documents;~~

~~(b) pays at least one individual, either through employment or by contract with the entity, as a qualified employee;~~

~~(c) in the case of print publications, has published at least one print publication per month over the previous thirty-six months and holds a valid United States postal service periodical permit or has at least thirty percent of its content dedicated to news concerning New Mexico or a local community in New Mexico;~~

~~(d) in the case of digital-only entities, has published at least five originally produced stories about New Mexico or a local community in New Mexico per week over the previous thirty-six months and has at least fifty percent of its digital audience in New Mexico, averaged over a twelve-month period;~~

~~(e) discloses in its print publication or on its website its beneficial ownership or, in the case of a not-for-profit entity, its board of directors;~~

~~(f) in the case of an organization that demonstrates to the department that the organization has been granted exemption from the federal income tax by the United~~

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~~States commissioner of internal revenue as organizations described in Section 501(c)(3) of the Internal Revenue Code, has declared the coverage of state or local news as the stated mission in its filings with the federal internal revenue service;~~

~~(g) has not received more than ten percent of its gross receipts for the previous year from political action committees or other entities described in Section 527 of the Internal Revenue Code, or from an organization that has been granted exemption from the federal income tax by the United States commissioner of internal revenue as an organization described in Section 501(c)(4) or 501(c)(6) of the Internal Revenue Code; and~~

~~(h) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary;~~

~~(3) "local news printer" means an entity that:~~

~~(a) provides manufacturing, production and printing services using a web press designed and optimized for printing newspapers for a local news organization;~~

~~(b) has been engaging in the business of manufacturing, producing and printing newspapers for at least five years;~~

~~(c) employs at least five qualified employees; and~~

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~~(d) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary; and~~

~~(4) "qualified employee" means a person who:~~

~~(a) is paid by a local news printer to regularly perform duties related to pre-press, press and post-press newspaper production to prepare newspapers for transition to delivery and distribution personnel;~~

~~(b) works at a physical location in New Mexico; and~~

~~(c) works as a qualified employee for the local news printer for at least twenty-five percent of the taxable year in which the credit is claimed."~~

~~SECTION Sfl1→15.←Sfl1 Sfl1→8.←Sfl1 A new section of the Corporate Income and Franchise Tax Act is enacted to read:~~

~~"[NEW MATERIAL] LOCAL NEWS PRINTER CORPORATE INCOME TAX CREDIT.--~~

~~A. For taxable years ending prior to January 1, 2030, a taxpayer that is an owner of a local news printer that employs a qualified employee may claim a credit against the taxpayer's tax liability imposed pursuant to the Corporate Income and Franchise Tax Act in an amount provided in Subsection B of this section. The tax credit provided by this section may be referred to as the "local news printer corporate income tax credit".~~

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~~B. The amount of tax credit shall be in an amount equal to the compensation paid to each qualified employee employed by a local news printer in the taxable year for which the tax credit is claimed, not to exceed:~~

~~(1) ten thousand dollars (\$10,000) for a qualified employee working an average of twenty hours or more per week in the taxable year; and~~

~~(2) five thousand dollars (\$5,000) for a qualified employee working an average of less than twenty hours per week in the taxable year.~~

~~C. A taxpayer shall apply for certification of eligibility for the tax credit from the department on forms and in the manner prescribed by the department within one year following the end of the calendar year in which the compensation is paid. A taxpayer shall not be eligible to receive a tax credit for more than one hundred qualified employees whom the taxpayer employs as a local news printer and only one tax credit shall be certified for each qualified employee employed by a local news printer per taxable year.~~

~~D. The total annual aggregate amount of local news printer corporate income tax credits and local news printer income tax credits that may be certified in a calendar year shall not exceed one million dollars (\$1,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall~~

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~~not be approved.~~

~~E. If the department determines that the taxpayer meets the requirements of this section, the department shall issue a dated certificate of eligibility to the taxpayer providing the amount of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed.~~

~~F. That portion of tax credit that exceeds a taxpayer's income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.~~

~~G. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department.~~

~~H. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the credit.~~

~~I. As used in this section:~~

~~(1) "compensation" means compensation paid by a local news printer to a qualified employee through the organization's payroll system, including that compensation that the qualified employee elects to defer or redirect or the qualified employee's contribution to a 401(k) or cafeteria plan program. "Compensation" does not mean benefits or the organization's share of payroll taxes, social security or~~

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~~medicare contributions, federal or state unemployment insurance contributions or workers' compensation;~~

~~(2) "local news organization" means an entity that:~~

~~(a) provides a print or digital publication that engages professionals who regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns events in New Mexico or a local community in New Mexico or other matters of public interest for dissemination to New Mexico or a local community in New Mexico through reporting activities, including conducting interviews, observing current events or analyzing documents;~~

~~(b) pays at least one individual, either through employment or by contract with the entity, as a qualified employee;~~

~~(c) in the case of print publications, has published at least one print publication per month over the previous thirty-six months and holds a valid United States postal service periodical permit or has at least thirty percent of its content dedicated to news concerning New Mexico or a local community in New Mexico;~~

~~(d) in the case of digital-only entities, has published at least five originally produced stories about New Mexico or a local community in New Mexico per~~

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~~week over the previous thirty-six months and has at least fifty percent of its digital audience in New Mexico, averaged over a twelve-month period;~~

~~(e) discloses in its print publication or on its website its beneficial ownership or, in the case of a not-for-profit entity, its board of directors;~~

~~(f) in the case of an organization that demonstrates to the department that the organization has been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the Internal Revenue Code, has declared the coverage of state or local news as the stated mission in its filings with the federal internal revenue service;~~

~~(g) has not received more than ten percent of its gross receipts for the previous year from political action committees or other entities described in Section 527 of the Internal Revenue Code, or from an organization that has been granted exemption from the federal income tax by the United States commissioner of internal revenue as an organization described in Section 501(c)(4) or 501(c)(6) of the Internal Revenue Code; and~~

~~(h) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary;~~

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~~(3) "local news printer" means an entity that:~~

~~(a) provides manufacturing, production and printing services using a web press designed and optimized for printing newspapers for a local news organization;~~

~~(b) has been engaging in the business of manufacturing, producing and printing newspapers for at least five years;~~

~~(c) employs at least five qualified employees; and~~

~~(d) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary; and~~

~~(4) "qualified employee" means a person who:~~

~~(a) is paid by a local news printer to regularly perform duties related to pre-press, press and post-press newspaper production to prepare newspapers for transition to delivery and distribution personnel;~~

~~(b) works at a physical location in New Mexico; and~~

~~(c) works as a qualified employee for the local news printer for at least twenty-five percent of the taxable year in which the credit is claimed." ←STBTC←CC~~

~~CC→STBTC→SECTION Sfl1→16.←Sfl1 Sfl1→9.←Sfl1 A new section of the Income Tax Act is enacted to read:~~

~~"[NEW MATERIAL] CREDIT--FOSTER PARENT AND GUARDIAN INCOME~~

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~~TAX CREDIT.--~~

~~A. For taxable years ending prior to January 1, 2030, a taxpayer who is a resident, who is not a dependent of another individual and who is a foster parent or a guardian of a child may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act. The credit authorized pursuant to this section may be referred to as the "foster parent and guardian income tax credit".~~

~~B. The amount of the tax credit shall be in an amount equal to two hundred fifty dollars (\$250) for each month the taxpayer is a foster parent or guardian of a child in the taxable year in which the tax credit is claimed; provided that the taxpayer shall be a foster parent or guardian for more than fifty percent of that month; and provided further that the maximum amount of credit that may be claimed by a taxpayer in a taxable year is three thousand dollars (\$3,000).~~

~~C. A taxpayer shall apply for certification of eligibility for the tax credit from the children, youth and families department on forms and in the manner prescribed by that department. Except as provided in Subsection E of this section, only one tax credit shall be certified per taxpayer per taxable year. If the children, youth and families department determines that the taxpayer meets the requirements of this section, that department shall issue a dated certificate of eligibility to the taxpayer providing the amount~~

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~~of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed. The children, youth and families department shall provide the department with the certificates of eligibility issued pursuant to this subsection in an electronic format at regularly agreed upon intervals.~~

~~D. That portion of the tax credit that exceeds a taxpayer's income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.~~

~~E. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the tax credit that would have been claimed on a joint return.~~

~~F. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department. The credit shall be claimed within one taxable year of the end of the year in which the children, youth and families department certifies the credit.~~

~~G. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the credit.~~

~~H. As used in this section:~~

~~(1) "child" means an unemancipated individual who has not reached eighteen years of age;~~

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~~(2) "foster parent" means a person licensed or certified by the children, youth and families department or a child placement agency to provide care for children in the custody of the department or agency; and~~

~~(3) "guardian" means a person appointed as a guardian by a court or an Indian tribal authority pursuant to the Kinship Guardianship Act, but does not include a person appointed as a guardian ad litem."~~ ←STBTC←CC

CC→STBTC→SECTION Sfl1→17.←Sfl1 Sfl1→10.←Sfl1 A new section of the Income Tax Act is enacted to read:

~~"[NEW MATERIAL] QUANTUM FACILITY INFRASTRUCTURE INCOME TAX CREDIT.--~~

~~A. For taxable years beginning on or after January 1, 2026 and ending prior to January 1, 2031, a taxpayer who is not a dependent of another individual and who makes at least three million dollars (\$3,000,000) in qualified expenditures for infrastructure for a quantum facility located in New Mexico may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act in the amount provided in Subsection B of this section. The credit provided by this section may be referred to as the "quantum facility infrastructure income tax credit".~~

~~B. Subject to the total aggregate amount allowed pursuant to Subsection D of this section, the amount of credit shall be in an amount equal to fifteen percent of the amount of~~

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~~the qualified expenditures made by the taxpayer for infrastructure for a quantum facility, not to exceed ten million dollars (\$10,000,000) per quantum facility.~~

~~C. Prior to incurring a qualified expenditure, a taxpayer shall apply for preliminary certification of eligibility for the credit from the economic development department on forms and in the manner prescribed by that department. Such preliminary certification shall be limited to confirming that the qualified expenditures proposed to be made by the taxpayer will in whole or in part be used to provide infrastructure for a quantum facility and providing an estimate of the amount of credit for which the taxpayer may be eligible. Only one certificate of eligibility shall be issued for a quantum facility, regardless of ownership of the facility.~~

~~D. Within twelve months of completion of construction of a quantum facility, the taxpayer shall seek final certification from the economic development department. The total annual aggregate amount of quantum facility infrastructure income tax credits and quantum facility infrastructure corporate income tax credits that may be certified in any calendar year shall not exceed fifteen million dollars (\$15,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved. An application for final certification shall include information~~

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~~required by the economic development department to determine eligibility for the credit, including information substantiating qualified expenditures. If that department determines that the taxpayer meets the requirements of this section, that department shall issue a dated certificate of eligibility to the taxpayer providing the amount of credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed. The economic development department shall provide the department with the certificates of eligibility issued pursuant to this subsection in secure electronic format at regularly agreed-upon intervals.~~

~~E. A taxpayer allowed to claim the credit shall claim the credit in a manner required by the department. The credit shall be claimed within one year of receiving final certification from the economic development department. The taxpayer shall claim the amount certified and approved against the taxpayer's income tax liability. Any amount of credit that exceeds the taxpayer's income tax liability shall be refunded to the taxpayer.~~

~~F. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the credit that would have been claimed on a joint return.~~

~~G. A taxpayer may be allocated the right to claim the credit in a proportion to the taxpayer's ownership interest~~

~~if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and that business entity has met all of the requirements to be eligible for the credit. The total credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit pursuant to this section.~~

~~H. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.~~

~~I. As used in this section:~~

~~(1) "qualified expenditure" means an expenditure made by a taxpayer for land and rent paid or incurred for land, improvements, buildings or infrastructure required for a quantum facility, but not including any expenditure for property that is owned by a municipality or county in connection with an industrial revenue bond project, property for which the taxpayer has received any credit pursuant to the Investment Credit Act or property that was owned by the taxpayer or an affiliate before January 1, 2025. If a "qualified expenditure" is an allocation of an expenditure, the cost accounting methodology used for the allocation of the expenditure shall be the same cost accounting methodology used by the taxpayer in its other business~~

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activities;

~~(2) "quantum facility" means a facility in New Mexico at which research and development in quantum technology is conducted, other than a facility operated by a taxpayer for the United States or any agency, department or instrumentality thereof; and~~

~~(3) "quantum technology" means technology that relies on quantum superposition or quantum entanglement or innovations that enable those technologies."~~

~~SECTION S11-18. S11-11. A new section of the Corporate Income and Franchise Tax Act is enacted to read:~~

~~"[NEW MATERIAL] QUANTUM FACILITY INFRASTRUCTURE CORPORATE INCOME TAX CREDIT.--~~

~~A. For taxable years beginning on or after January 1, 2026 and ending prior to January 1, 2031, a taxpayer that makes at least three million dollars (\$3,000,000) in qualified expenditures for infrastructure for a quantum facility located in New Mexico may claim a credit against the taxpayer's tax liability imposed pursuant to the Corporate Income and Franchise Tax Act in the amount provided in Subsection B of this section. The credit provided by this section may be referred to as the "quantum facility infrastructure corporate income tax credit".~~

~~B. Subject to the total aggregate amount allowed pursuant to Subsection D of this section, the amount of credit~~

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~~shall be in an amount equal to fifteen percent of the amount of the qualified expenditures made by the taxpayer for infrastructure for a quantum facility, not to exceed ten million dollars (\$10,000,000) per quantum facility.~~

~~C. Prior to incurring a qualified expenditure, a taxpayer shall apply for preliminary certification of eligibility for the credit from the economic development department on forms and in the manner prescribed by that department. Such preliminary certification shall be limited to confirming that the qualified expenditures proposed to be made by the taxpayer will in whole or in part be used to provide infrastructure for a quantum facility and providing an estimate of the amount of credit for which the taxpayer may be eligible. Only one certificate of eligibility shall be issued for a quantum facility, regardless of ownership of the facility.~~

~~D. Within twelve months of completion of construction of a quantum facility, the taxpayer shall seek final certification from the economic development department. The total annual aggregate amount of quantum facility infrastructure income tax credits and quantum facility infrastructure corporate income tax credits that may be certified in any calendar year shall not exceed fifteen million dollars (\$15,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved. An~~

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~~application for final certification shall include information required by the economic development department to determine eligibility for the credit, including information substantiating qualified expenditures. If that department determines that the taxpayer meets the requirements of this section, that department shall issue a dated certificate of eligibility to the taxpayer providing the amount of credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed. The economic development department shall provide the department with the certificates of eligibility issued pursuant to this subsection in secure electronic format at regularly agreed-upon intervals.~~

~~E. A taxpayer allowed to claim the credit shall claim the credit in a manner required by the department. The credit shall be claimed within one year of receiving final certification from the economic development department. The taxpayer shall claim the amount certified and approved against the taxpayer's income tax liability. Any amount of credit that exceeds the taxpayer's income tax liability shall be refunded to the taxpayer.~~

~~F. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.~~

~~G. As used in this section:~~

.231874.4AIC March 22, 2025 (10:06am)

~~(1) "qualified expenditure" means an expenditure made by a taxpayer for land and rent paid or incurred for land, improvements, buildings or infrastructure required for a quantum facility, but not including any expenditure for property that is owned by a municipality or county in connection with an industrial revenue bond project, property for which the taxpayer has received any credit pursuant to the Investment Credit Act or property that was owned by the taxpayer or an affiliate before January 1, 2025. If a "qualified expenditure" is an allocation of an expenditure, the cost accounting methodology used for the allocation of the expenditure shall be the same cost accounting methodology used by the taxpayer in its other business activities;~~

~~(2) "quantum facility" means a facility in New Mexico at which research and development in quantum technology is conducted, other than a facility operated by a taxpayer for the United States or any agency, department or instrumentality thereof; and~~

~~(3) "quantum technology" means technology that relies on quantum superposition or quantum entanglement or innovations that enable those technologies."~~ ←STBTC

STBTC → SECTION Sfl1 → 19. ← Sfl1 Sfl1 → 12. ← Sfl1 Section 7-9-93 NMSA 1978 (being Laws 2004, Chapter 116, Section 6, as amended) is amended to read:

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~~"7-9-93. DEDUCTION--GROSS RECEIPTS--CERTAIN RECEIPTS FOR SERVICES PROVIDED BY HEALTH CARE PRACTITIONER OR ASSOCIATION OF HEALTH CARE PRACTITIONERS.--~~

~~A. Receipts of a health care practitioner or an association of health care practitioners for commercial contract services or medicare part C services paid by a managed care organization or health care insurer may be deducted from gross receipts if the services are within the scope of practice of the health care practitioner providing the service. Receipts from fee-for-service payments by a health care insurer may not be deducted from gross receipts.~~

~~B. Prior to July 1, [2028] 2030, receipts from coinsurance, a copayment or a deductible paid by an insured or enrollee to a health care practitioner or an association of health care practitioners for commercial contract services pursuant to the terms of the insured's health insurance plan or enrollee's managed care health plan may be deducted from gross receipts if the services are within the scope of practice of the health care practitioner providing the service.~~

~~C. The deductions provided by this section shall be applied only to gross receipts remaining after all other allowable deductions available under the Gross Receipts and Compensating Tax Act have been taken.~~

~~D. A taxpayer allowed a deduction pursuant to this section shall report the amount of the deduction separately in~~

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~~a manner required by the department.~~

~~E. [The department shall compile an annual report on the deductions provided by this section that shall include the number of taxpayers that claimed the deductions, the aggregate amount of deductions claimed and any other information necessary to evaluate the effectiveness of the deductions. The department shall present the report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the cost of the deductions] The tax deductions provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the deductions.~~

~~F. As used in this section:~~

~~(1) "association of health care practitioners" means a corporation, unincorporated business entity or other legal entity organized by, owned by or employing one or more health care practitioners; provided that the entity is not:~~

~~(a) an organization granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as that section may be amended or renumbered; or~~

~~(b) a health maintenance organization or a hospital, hospice, nursing home or an entity that is solely~~

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~~an outpatient facility or intermediate care facility licensed [pursuant to the Public Health Act] by the health care authority;~~

~~(2) "commercial contract services" means health care services performed by a health care practitioner pursuant to a contract with a managed care organization or health care insurer other than those health care services provided for medicare patients pursuant to Title 18 of the federal Social Security Act or for medicaid patients pursuant to Title 19 or Title 21 of the federal Social Security Act;~~

~~(3) "copayment" or "coinsurance" means [a fixed dollar] an amount that a health care insurer or managed care health plan requires an insured or enrollee to pay upon incurring an expense for receiving medical services;~~

~~(4) "deductible" means the amount of covered charges an insured or enrollee is required to pay in a plan year for commercial contract services before the insured's health insurance plan or enrollee's managed care health plan begins to pay for applicable covered charges;~~

~~(5) "fee-for-service" means payment for health care services by a health care insurer for covered charges under an indemnity insurance plan;~~

~~(6) "health care insurer" means a person that:~~
~~(a) has a valid certificate of authority in good standing pursuant to the New Mexico Insurance Code to~~

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~~act as an insurer, health maintenance organization or nonprofit health care plan or prepaid dental plan; and~~

~~(b) contracts to reimburse licensed health care practitioners for providing basic health services to enrollees at negotiated fee rates;~~

~~(7) "health care practitioner" means:~~

~~(a) a chiropractic physician licensed pursuant to the provisions of the Chiropractic Physician Practice Act;~~

~~(b) a dentist or dental hygienist licensed pursuant to the Dental Health Care Act;~~

~~(c) a doctor of oriental medicine licensed pursuant to the provisions of the Acupuncture and Oriental Medicine Practice Act;~~

~~(d) an optometrist licensed pursuant to the provisions of the Optometry Act;~~

~~(e) an osteopathic physician licensed pursuant to the provisions of the Medical Practice Act;~~

~~(f) a physical therapist licensed pursuant to the provisions of the Physical Therapy Act;~~

~~(g) a physician or physician assistant licensed pursuant to the provisions of the Medical Practice Act;~~

~~(h) a podiatric physician licensed pursuant to the provisions of the Podiatry Act;~~

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~~(i) a psychologist licensed pursuant to the provisions of the Professional Psychologist Act;~~

~~(j) a registered lay midwife registered by the department of health;~~

~~(k) a registered nurse or licensed practical nurse licensed pursuant to the provisions of the Nursing Practice Act;~~

~~(l) a registered occupational therapist licensed pursuant to the provisions of the Occupational Therapy Act;~~

~~(m) a respiratory care practitioner licensed pursuant to the provisions of the Respiratory Care Act;~~

~~(n) a speech-language pathologist or audiologist licensed pursuant to the Speech-Language Pathology, Audiology and Hearing Aid Dispensing Practices Act;~~

~~(o) a professional clinical mental health counselor, marriage and family therapist or professional art therapist licensed pursuant to the provisions of the Counseling and Therapy Practice Act who has obtained a master's degree or a doctorate;~~

~~(p) an independent social worker licensed pursuant to the provisions of the Social Work Practice Act; and~~

~~(q) a clinical laboratory that is~~

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~~accredited pursuant to 42 U.S.C. Section 263a but that is not a laboratory in a physician's office or in a hospital defined pursuant to 42 U.S.C. Section 1395x;~~

~~(8) "managed care health plan" means a health care plan offered by a managed care organization that provides for the delivery of comprehensive basic health care services and medically necessary services to individuals enrolled in the plan other than those services provided to medicare patients pursuant to Title 18 of the federal Social Security Act or to medicaid patients pursuant to Title 19 or Title 21 of the federal Social Security Act;~~

~~(9) "managed care organization" means a person that provides for the delivery of comprehensive basic health care services and medically necessary services to individuals enrolled in a plan through its own employed health care providers or by contracting with selected or participating health care providers. "Managed care organization" includes only those persons that provide comprehensive basic health care services to enrollees on a contract basis, including the following:~~

- ~~(a) health maintenance organizations;~~
- ~~(b) preferred provider organizations;~~
- ~~(c) individual practice associations;~~
- ~~(d) competitive medical plans;~~
- ~~(e) exclusive provider organizations;~~

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~~(f) integrated delivery systems;~~
~~(g) independent physician-provider organizations;~~
~~(h) physician hospital-provider organizations; and~~
~~(i) managed care services organizations;~~
and
(10) "medicare part C services" means services performed pursuant to a contract with a managed health care provider for medicare patients pursuant to Title 18 of the federal Social Security Act." ←STBTC←CC

CC→STBTC→SECTION Sfl1→20.←Sfl1 Sfl1→13.←Sfl1 Section 7-1-6.38 NMSA 1978 (being Laws 1994, Chapter 145, Section 1, as amended) is amended to read:

~~"7-1-6.38. DISTRIBUTION--GOVERNMENTAL GROSS RECEIPTS TAX.--~~

~~A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made in amounts equal to the following percentages of the net receipts attributable to the governmental gross receipts tax, less the net receipts attributable to a hospital licensed by the [department of] health care authority:~~

~~(1) seventy-five percent to the public project revolving fund administered by the New Mexico finance authority;~~

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~~(2) twenty-four percent to the energy, minerals and natural resources department; provided that forty-one and two-thirds percent of the distribution is appropriated to the energy, minerals and natural resources department to implement the provisions of the New Mexico Youth Conservation Corps Act and fifty-eight and one-third percent of the distribution is appropriated to the energy, minerals and natural resources department for state park and recreation area capital improvements, including the costs of planning, engineering, design, construction, renovation, repair, equipment and furnishings; and~~

~~(3) one percent to the cultural affairs department for capital improvements at state museums and monuments administered by the cultural affairs department.~~

~~B. The state pledges to and agrees with the holders of any bonds or notes issued by the New Mexico finance authority or by the energy, minerals and natural resources department and payable from the net receipts attributable to the governmental gross receipts tax distributed to the New Mexico finance authority or the energy, minerals and natural resources department pursuant to this section that the state will not limit, reduce or alter the distribution of the net receipts attributable to the governmental gross receipts tax to the New Mexico finance authority or the energy, minerals and natural resources department or limit, reduce or alter the rate~~

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~~of imposition of the governmental gross receipts tax until the bonds or notes together with the interest thereon are fully met and discharged. The New Mexico finance authority and the energy, minerals and natural resources department are authorized to include this pledge and agreement of the state in any agreement with the holders of the bonds or notes.~~

~~C. Prior to July 1, 2032, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the university school of medicine fund in an amount equal to twenty-five percent of the net receipts attributable to the governmental gross receipts tax that are attributable to a hospital licensed by the health care authority.~~

~~SECTION ~~Sf11~~→21.~~←Sf11~~ Sf11→14.~~←Sf11~~ [NEW MATERIAL] DEPOSITS TO UNIVERSITY SCHOOL OF MEDICINE FUND.--On each July 1 of 2025 through 2032, the university of New Mexico school of medicine shall deposit four million dollars (\$4,000,000) in the university school of medicine fund; provided that the revenue used to make the deposit shall not be attributable to appropriations from state funds.~~

~~SECTION ~~Sf11~~→22.~~←Sf11~~ Sf11→15.~~←Sf11~~ [NEW MATERIAL] UNIVERSITY SCHOOL OF MEDICINE FUND.--The "university school of medicine fund" is created as a nonreverting fund in the state treasury. The fund consists of distributions, appropriations, gifts, grants, donations and income from investment of the fund. The health care authority shall administer the fund.~~

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~~Money in the fund is subject to appropriation by the legislature to provide funding for construction and reconstruction of the university of New Mexico school of medicine. Expenditures from the fund shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of health care authority or the secretary's authorized representative.~~ ←STBTC ←CC

CC→STBTC→SECTION Sfl1→23. ←Sfl1 Sfl1→16. ←Sfl1 Section 7-17-5 NMSA 1978 (being Laws 1993, Chapter 65, Section 8, as amended) is amended to read:

~~"7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX.--~~

~~A. There is imposed on a wholesaler who sells alcoholic beverages on which the tax imposed by this section has not been paid an excise tax, to be referred to as the "liquor excise tax", at the following rates on alcoholic beverages sold:~~

~~(1) on spirituous liquors, except as provided in Paragraph (9) of this subsection, [one dollar sixty cents (\$1.60)] one dollar ninety-two cents (\$1.92) per liter;~~

~~(2) on beer, except as provided in Paragraph (5) of this subsection, [forty-one cents (\$.41)] forty-nine cents (\$.49) per gallon;~~

~~(3) on wine, except as provided in Paragraphs (4) and (6) of this subsection, [forty-five cents (\$.45)] fifty-four cents (\$.54) per liter;~~

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~~(4) on fortified wine, [one dollar fifty cents (\$1.50)] one dollar eighty cents (\$1.80) per liter;~~

~~(5) on beer manufactured or produced by a microbrewer and sold in this state, provided that proof is furnished to the department that the beer was manufactured or produced by a microbrewer, eight cents (\$.08) per gallon on the first thirty thousand barrels sold, twenty-eight cents (\$.28) per gallon for all barrels sold over thirty thousand barrels but less than sixty thousand barrels and forty-one cents (\$.41) per gallon for sixty thousand or more barrels sold;~~

~~(6) on wine manufactured or produced by a small winegrower and sold in this state, provided that proof is furnished to the department that the wine was manufactured or produced by a small winegrower:~~

~~(a) ten cents (\$.10) per liter on the first eighty thousand liters sold;~~

~~(b) twenty cents (\$.20) per liter on each liter sold over eighty thousand liters but not over nine hundred fifty thousand liters; and~~

~~(c) thirty cents (\$.30) per liter on each liter sold over nine hundred fifty thousand liters but not over one million five hundred thousand liters;~~

~~(7) on cider, except as provided in Paragraph (8) of this subsection, [forty-one cents (\$.41)] forty-nine cents (\$.49) per gallon;~~

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~~(8) on cider manufactured or produced by a small winegrower and sold in this state, provided that proof is furnished to the department that the cider was manufactured or produced by a small winegrower, eight cents (\$.08) per gallon on the first thirty thousand barrels sold, twenty-eight cents (\$.28) per gallon for all barrels sold over thirty thousand barrels but less than sixty thousand barrels and forty-one cents (\$.41) per gallon for sixty thousand or more barrels sold; and~~

~~(9) on spirituous liquors manufactured or produced by a craft distiller licensed pursuant to Section 60-6A-6.1 NMSA 1978, provided that proof is provided to the department that the spirituous liquors were manufactured or produced by a craft distiller, for products up to ten percent alcohol by volume, eight cents (\$.08) per liter for the first two hundred fifty thousand liters sold and twenty-eight cents (\$.28) per liter for the next two hundred fifty thousand liters sold and for products over ten percent alcohol by volume, thirty-two cents (\$.32) per liter on the first one hundred seventy-five thousand liters sold and sixty-five cents (\$.65) per liter on the next two hundred thousand liters sold.~~

~~B. The volume of wine transferred from one winegrower to another winegrower for processing, bottling or storage and subsequent return to the transferor shall be excluded pursuant to Section 7-17-6 NMSA 1978 from the taxable~~

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~~volume of wine of the transferee. Wine transferred from an initial winegrower to a second winegrower remains a tax liability of the transferor, provided that if the wine is transferred to the transferee for the transferee's use or for resale, the transferee then assumes the liability for the tax due pursuant to this section.~~

~~C. A transfer of wine from a winegrower to a wholesaler for distribution of the wine transfers the liability for payment of the liquor excise tax to the wholesaler upon the sale of the wine by the wholesaler."~~←STBTC←CC

CC→STBTC→SECTION S11→24.←S11 S11→17.←S11 A new section of the Gaming Control Act is enacted to read:

~~"[NEW MATERIAL] EXEMPTION--LICENSEES OPERATING IN A DECLARED DISASTER AREA.--~~

~~A. Prior to July 1, 2029, a gaming operator licensee operating in an area declared in June 2024 as a disaster area by the governor due to a wildfire shall be exempted from the gaming tax.~~

~~B. The exemption provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the exemption. Claiming the exemption provided by this section is authorization by the taxpayer claiming the exemption for the department to reveal return information necessary to comply with the requirements of Section 7-1-84 NMSA 1978."~~←STBTC←CC

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CC→SECTION 2. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] CREDIT--FOSTER PARENT AND GUARDIAN INCOME TAX CREDIT.--

A. For taxable years ending prior to January 1, 2031, a taxpayer who is a resident, who is not a dependent of another individual and who is a foster parent or a guardian of a child may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act. The credit authorized pursuant to this section may be referred to as the "foster parent and guardian income tax credit".

B. The amount of the tax credit shall be in an amount equal to two hundred fifty dollars (\$250) for each month the taxpayer is a foster parent or guardian of a child in the taxable year in which the tax credit is claimed; provided that the taxpayer shall be a foster parent or guardian for more than fifty percent of that month; and provided further that the maximum amount of credit that may be claimed by a taxpayer in a taxable year is three thousand dollars (\$3,000).

C. A taxpayer shall apply for certification of eligibility for the tax credit from the children, youth and families department on forms and in the manner prescribed by that department. Except as provided in Subsection E of this section, only one tax credit shall be certified per taxpayer per taxable year. If the children, youth and families

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department determines that the taxpayer meets the requirements of this section, that department shall issue a dated certificate of eligibility to the taxpayer providing the amount of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed. The children, youth and families department shall provide the department with the certificates of eligibility issued pursuant to this subsection in an electronic format at regularly agreed upon intervals.

D. That portion of the tax credit that exceeds a taxpayer's income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.

E. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the tax credit that would have been claimed on a joint return.

F. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department. The credit shall be claimed within one taxable year of the end of the year in which the children, youth and families department certifies the credit.

G. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the credit.

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H. As used in this section:

(1) "child" means an unemancipated individual who has not reached eighteen years of age;

(2) "foster parent" means a person licensed or certified by the children, youth and families department or a child placement agency to provide care for children in the custody of the department or agency; and

(3) "guardian" means a person appointed as a guardian by a court or an Indian tribal authority pursuant to the Kinship Guardianship Act, but does not include a person appointed as a guardian ad litem."

SECTION 3. Section 7-9-93 NMSA 1978 (being Laws 2004, Chapter 116, Section 6, as amended) is amended to read:

"7-9-93. DEDUCTION--GROSS RECEIPTS--CERTAIN RECEIPTS FOR SERVICES PROVIDED BY HEALTH CARE PRACTITIONER OR ASSOCIATION OF HEALTH CARE PRACTITIONERS.--

A. Receipts of a health care practitioner or an association of health care practitioners for commercial contract services or medicare part C services paid by a managed care organization or health care insurer may be deducted from gross receipts if the services are within the scope of practice of the health care practitioner providing the service.

Receipts from fee-for-service payments by a health care insurer may not be deducted from gross receipts.

B. Prior to July 1, [2028] 2031, receipts from

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coinsurance, a copayment or a deductible paid by an insured or enrollee to a health care practitioner or an association of health care practitioners for commercial contract services pursuant to the terms of the insured's health insurance plan or enrollee's managed care health plan may be deducted from gross receipts if the services are within the scope of practice of the health care practitioner providing the service.

C. The deductions provided by this section shall be applied only to gross receipts remaining after all other allowable deductions available under the Gross Receipts and Compensating Tax Act have been taken.

D. A taxpayer allowed a deduction pursuant to this section shall report the amount of the deduction separately in a manner required by the department.

~~E. [The department shall compile an annual report on the deductions provided by this section that shall include the number of taxpayers that claimed the deductions, the aggregate amount of deductions claimed and any other information necessary to evaluate the effectiveness of the deductions. The department shall present the report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the cost of the deductions]~~ The tax deductions provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost

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of the deductions.

F. As used in this section:

(1) "association of health care practitioners" means a corporation, unincorporated business entity or other legal entity organized by, owned by or employing one or more health care practitioners; provided that the entity is not:

(a) an organization granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as that section may be amended or renumbered; or

(b) a health maintenance organization or a hospital, hospice, nursing home or an entity that is solely an outpatient facility or intermediate care facility licensed ~~[pursuant to the Public Health Act]~~ by the health care authority;

(2) "commercial contract services" means health care services performed by a health care practitioner pursuant to a contract with a managed care organization or health care insurer other than those health care services provided for medicare patients pursuant to Title 18 of the federal Social Security Act or for medicaid patients pursuant to Title 19 or Title 21 of the federal Social Security Act;

(3) "copayment" or "coinsurance" means ~~[a fixed dollar]~~ an amount that a health care insurer or managed

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care health plan requires an insured or enrollee to pay upon incurring an expense for receiving medical services;

(4) "deductible" means the amount of covered charges an insured or enrollee is required to pay in a plan year for commercial contract services before the insured's health insurance plan or enrollee's managed care health plan begins to pay for applicable covered charges;

(5) "fee-for-service" means payment for health care services by a health care insurer for covered charges under an indemnity insurance plan;

(6) "health care insurer" means a person that:

(a) has a valid certificate of authority in good standing pursuant to the New Mexico Insurance Code to act as an insurer, health maintenance organization or nonprofit health care plan or prepaid dental plan; and

(b) contracts to reimburse licensed health care practitioners for providing basic health services to enrollees at negotiated fee rates;

(7) "health care practitioner" means:

(a) a chiropractic physician licensed pursuant to the provisions of the Chiropractic Physician Practice Act;

(b) a dentist or dental hygienist licensed pursuant to the Dental Health Care Act;

(c) a doctor of oriental medicine

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licensed pursuant to the provisions of the Acupuncture and Oriental Medicine Practice Act;

(d) an optometrist licensed pursuant to the provisions of the Optometry Act;

(e) an osteopathic physician licensed pursuant to the provisions of the Medical Practice Act;

(f) a physical therapist licensed pursuant to the provisions of the Physical Therapy Act;

(g) a physician or physician assistant licensed pursuant to the provisions of the Medical Practice Act;

(h) a podiatric physician licensed pursuant to the provisions of the Podiatry Act;

(i) a psychologist licensed pursuant to the provisions of the Professional Psychologist Act;

(j) a registered lay midwife registered by the department of health;

(k) a registered nurse or licensed practical nurse licensed pursuant to the provisions of the Nursing Practice Act;

(l) a registered occupational therapist licensed pursuant to the provisions of the Occupational Therapy Act;

(m) a respiratory care practitioner licensed pursuant to the provisions of the Respiratory Care

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Act;

(n) a speech-language pathologist or audiologist licensed pursuant to the Speech-Language Pathology, Audiology and Hearing Aid Dispensing Practices Act;

(o) a professional clinical mental health counselor, marriage and family therapist or professional art therapist licensed pursuant to the provisions of the Counseling and Therapy Practice Act who has obtained a master's degree or a doctorate;

(p) an independent social worker licensed pursuant to the provisions of the Social Work Practice Act; and

(q) a clinical laboratory that is accredited pursuant to 42 U.S.C. Section 263a but that is not a laboratory in a physician's office or in a hospital defined pursuant to 42 U.S.C. Section 1395x;

(8) "managed care health plan" means a health care plan offered by a managed care organization that provides for the delivery of comprehensive basic health care services and medically necessary services to individuals enrolled in the plan other than those services provided to medicare patients pursuant to Title 18 of the federal Social Security Act or to medicaid patients pursuant to Title 19 or Title 21 of the federal Social Security Act;

(9) "managed care organization" means a person

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that provides for the delivery of comprehensive basic health care services and medically necessary services to individuals enrolled in a plan through its own employed health care providers or by contracting with selected or participating health care providers. "Managed care organization" includes only those persons that provide comprehensive basic health care services to enrollees on a contract basis, including the following:

- (a) health maintenance organizations;
- (b) preferred provider organizations;
- (c) individual practice associations;
- (d) competitive medical plans;
- (e) exclusive provider organizations;
- (f) integrated delivery systems;
- (g) independent physician-provider

organizations;

- (h) physician hospital-provider

organizations; and

- (i) managed care services organizations;

and

- (10) "medicare part C services" means services

performed pursuant to a contract with a managed health care provider for medicare patients pursuant to Title 18 of the federal Social Security Act."

SECTION 4. Section 7-17-5 NMSA 1978 (being Laws 1993,

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Chapter 65, Section 8, as amended) is amended to read:

"7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX.--

A. There is imposed on a wholesaler who sells alcoholic beverages on which the tax imposed by this section has not been paid an excise tax, to be referred to as the "liquor excise tax", at the following rates on alcoholic beverages sold:

(1) on spirituous liquors, except as provided in Paragraph (9) of this subsection, [~~one dollar sixty cents (\$1.60)~~] one dollar ninety-two cents (\$1.92) per liter;

(2) on beer, except as provided in Paragraph (5) of this subsection, [~~forty-one cents (\$.41)~~] forty-nine cents (\$.49) per gallon;

(3) on wine, except as provided in Paragraphs (4) and (6) of this subsection, [~~forty-five cents (\$.45)~~] fifty-four cents (\$.54) per liter;

(4) on fortified wine, [~~one dollar fifty cents (\$1.50)~~] one dollar eighty cents (\$1.80) per liter;

(5) on beer manufactured or produced by a microbrewer and sold in this state, provided that proof is furnished to the department that the beer was manufactured or produced by a microbrewer, eight cents (\$.08) per gallon on the first thirty thousand barrels sold, twenty-eight cents (\$.28) per gallon for all barrels sold over thirty thousand barrels but less than sixty thousand barrels and forty-one cents (\$.41)

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per gallon for sixty thousand or more barrels sold;

(6) on wine manufactured or produced by a small winegrower and sold in this state, provided that proof is furnished to the department that the wine was manufactured or produced by a small winegrower:

(a) ten cents (\$.10) per liter on the first eighty thousand liters sold;

(b) twenty cents (\$.20) per liter on each liter sold over eighty thousand liters but not over nine hundred fifty thousand liters; and

(c) thirty cents (\$.30) per liter on each liter sold over nine hundred fifty thousand liters but not over one million five hundred thousand liters;

(7) on cider, except as provided in Paragraph (8) of this subsection, [~~forty-one cents (\$.41)~~] forty-nine cents (\$.49) per gallon;

(8) on cider manufactured or produced by a small winegrower and sold in this state, provided that proof is furnished to the department that the cider was manufactured or produced by a small winegrower, eight cents (\$.08) per gallon on the first thirty thousand barrels sold, twenty-eight cents (\$.28) per gallon for all barrels sold over thirty thousand barrels but less than sixty thousand barrels and ~~forty-one cents (\$.41)~~ per gallon for sixty thousand or more barrels sold; and

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(9) on spirituous liquors manufactured or produced by a craft distiller licensed pursuant to Section 60-6A-6.1 NMSA 1978, provided that proof is provided to the department that the spirituous liquors were manufactured or produced by a craft distiller, for products up to ten percent alcohol by volume, eight cents (\$.08) per liter for the first two hundred fifty thousand liters sold and twenty-eight cents (\$.28) per liter for the next two hundred fifty thousand liters sold and for products over ten percent alcohol by volume, thirty-two cents (\$.32) per liter on the first one hundred seventy-five thousand liters sold and sixty-five cents (\$.65) per liter on the next two hundred thousand liters sold.

B. The volume of wine transferred from one winegrower to another winegrower for processing, bottling or storage and subsequent return to the transferor shall be excluded pursuant to Section 7-17-6 NMSA 1978 from the taxable volume of wine of the transferee. Wine transferred from an initial winegrower to a second winegrower remains a tax liability of the transferor, provided that if the wine is transferred to the transferee for the transferee's use or for resale, the transferee then assumes the liability for the tax due pursuant to this section.

C. A transfer of wine from a winegrower to a wholesaler for distribution of the wine transfers the liability for payment of the liquor excise tax to the wholesaler upon the

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sale of the wine by the wholesaler."

SECTION 5. Section 7-1-6.40 NMSA 1978 (being Laws 1997, Chapter 182, Section 1, as amended) is amended to read:

"7-1-6.40. DISTRIBUTION OF LIQUOR EXCISE TAX--LOCAL DWI GRANT FUND--CERTAIN MUNICIPALITIES--DRUG COURT FUND--TRIBAL ALCOHOL HARMS ALLEVIATION FUND.--

A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount equal to ~~[forty-five]~~ thirty-nine percent of the net receipts attributable to the liquor excise tax shall be made to the local DWI grant fund.

~~[B. A distribution pursuant to Section 7-1-6.1 NMSA 1978 of twenty thousand seven hundred fifty dollars (\$20,750) monthly from the net receipts attributable to the liquor excise tax shall be made to a municipality that is located in a class A county and that has a population according to the most recent federal decennial census of more than thirty thousand but less than sixty thousand and shall be used by the municipality only for the provision of alcohol treatment and rehabilitation services for street inebriates.~~

~~G. Beginning July 1, 2019]~~ B. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount equal to five percent of the net receipts attributable to the liquor excise tax shall be made to the drug court fund.

C. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount equal to twelve and one-half percent of the

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net receipts attributable to the liquor excise tax shall be made to the tribal alcohol harms alleviation fund."

SECTION 6. [NEW MATERIAL] TRIBAL ALCOHOL HARMS

ALLEVIATION FUND.--The "tribal alcohol harms alleviation fund" is created as a nonreverting fund in the state treasury. The fund consists of appropriations, distributions, gifts, grants, donations and bequests made to the fund and income from investment of the fund. The department of finance and administration shall administer the fund, and money in the fund is subject to appropriation by the legislature for alcohol harms prevention, treatment and recovery services to individuals on lands of Indian nations, tribes and pueblos, and to make grants to Indian nations, tribes and pueblos to provide those services to those individuals. Money in the fund shall be expended by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary or the secretary's authorized representative.←CC

~~CC→STBTC→SECTION 9. APPLICABILITY.--The provisions of Section 8 of this act apply to taxable years beginning on or after January 1, 2025.~~

~~SECTION 10. EFFECTIVE DATE.--The effective date of the provisions of Sections 1 through 7 of this act is July 1, 2025.←STBTC←CC~~

~~Sf11→STBTC→SECTION 25. DELAYED REPEALS.--~~

~~A. Sections 9 through 16 of this act are repealed~~

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~~effective January 1, 2030.~~

~~B. Sections 17 and 18 of this act are repealed effective January 1, 2031.~~

~~C. Section 24 of this act is repealed effective July 1, 2029.~~

~~SECTION 26. APPLICABILITY.--~~

~~A. The provisions of Sections 8 through 16 of this act apply to taxable years beginning on or after January 1, 2025.~~

~~B. The provisions of Sections 17 and 18 of this act apply to taxable years beginning on or after January 1, 2026.~~

~~SECTION 27. EFFECTIVE DATE.--The effective date of the provisions of Sections 1 through 7 and 19 through 24 of this act is July 1, 2025.←STBTC←Sf11~~

~~Sf11→Sf11→SECTION 9. APPLICABILITY.--The provisions of Section 8 of this act apply to taxable years beginning on or after January 1, 2025.~~

~~SECTION 10. EFFECTIVE DATE.--The effective date of the provisions of Sections 1 through 7 of this act is July 1, 2025.←Sf11←Sf11~~

~~CC→Sf11→SECTION 18. DELAYED REPEALS.--~~

~~A. Sections 2 through 9 of this act are repealed effective January 1, 2030.~~

~~B. Sections 10 and 11 of this act are repealed effective January 1, 2031.~~

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~~C. Section 17 of this act is repealed effective July 1, 2029.~~

~~SECTION 19. APPLICABILITY.--~~

~~A. The provisions of Sections 1 through 9 of this act apply to taxable years beginning on or after January 1, 2025.~~

~~B. The provisions of Sections 10 and 11 of this act apply to taxable years beginning on or after January 1, 2026.~~

~~SECTION 20. EFFECTIVE DATE.--The effective date of the provisions of Sections 12 through 17 of this act is July 1, 2025.~~ ←Sf11 ←CC

CC→SECTION 7. DELAYED REPEAL.--Section 2 of this act is repealed effective January 1, 2031.

SECTION 8. APPLICABILITY.--The provisions of Sections 1 and 2 of this act apply to taxable years beginning on or after January 1, 2026.

SECTION 9. EFFECTIVE DATE.--

A. The effective date of the provisions of Sections 1 and 2 of this act is January 1, 2026.

B. The effective date of the provisions of Section 3 of this act is July 1, 2026.

C. The effective date of the provisions of Sections 4 through 6 of this act is July 1, 2025. ←CC

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