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HOUSE BILL 406

44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2000

INTRODUCED BY

Daniel P. Silva

AN ACT

**RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT FOR
CERTAIN MOTOR VEHICLE INSURANCE PREMIUMS PAID.**

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

**Section 1. A new section of the Income Tax Act is
enacted to read:**

**"[NEW MATERIAL] TAX CREDIT--MOTOR VEHICLE INSURANCE
PREMIUMS PAID. --**

**A. A taxpayer who files an individual New Mexico
income tax return and is not a dependent of another taxpayer
may claim a credit for motor vehicle insurance premiums paid
during the taxable year for coverage for the taxpayer, the
taxpayer's spouse or a dependent as necessary to comply with
the provisions of the Mandatory Financial Responsibility Act.**

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1 The credit may be claimed in an amount equal to one-half of
2 the premiums paid during the taxable year, not to exceed one
3 hundred dollars (\$100).

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

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

11 Section 2. APPLICABILITY. -- The provisions of this act
12 apply to taxable years beginning on or after January 1, 2000.