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HOUSE BILL 421

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Judy Vanderstar Russell

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT FOR  
CERTAIN PAYMENTS FOR ELEMENTARY AND SECONDARY SCHOOL TUITION.

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] TUITION TAX CREDIT. --

A. A taxpayer who files an individual New Mexico  
income tax return, is not a dependent of another taxpayer and  
whose family income for the taxable year is at or below one  
hundred eighty-five percent of the federal poverty level may  
claim a credit for tuition payments made by the taxpayer for a  
dependent who is enrolled in an accredited elementary or  
secondary school in New Mexico. The credit may be claimed in  
an amount equal to the tuition paid during the taxable year

underscored material = new  
[bracketed material] = delete

1 for which the credit is claimed, not to exceed two thousand  
2 dollars (\$2,000) for each eligible dependent. The credit  
3 provided in this subsection shall be known as the "tuition tax  
4 credit".

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

9 C. The credit provided in this section may be  
10 deducted from the taxpayer's New Mexico income tax liability  
11 for the taxable year. If the credit exceeds the taxpayer's  
12 income tax liability, the excess shall be refunded to the  
13 taxpayer.

14 D. Receipt of a tax credit pursuant to this  
15 section for tuition payments made to a private school does not  
16 authorize state involvement or entanglement with religious  
17 instruction or other operations of the private school.

18 E. As used in this section:

19 (1) "dependent" means "dependent" as defined  
20 in Section 152 of the Internal Revenue Code, but also includes  
21 any minor child or stepchild of the taxpayer who would be a  
22 dependent for federal income tax purposes if the public  
23 assistance contributing to the support of the child or  
24 stepchild was considered to have been contributed by the  
25 taxpayer; and

