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SENATE BILL 458

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

INTRODUCED BY

Kent L. Cravens

AN ACT

**RELATING TO TAXATION; PROVIDING A ONE-TIME INCOME TAX CREDIT
FOR CERTAIN BUSINESSES THAT PURCHASE AND USE EQUIPMENT THAT
ELECTRONICALLY READS IDENTIFICATION CARDS TO VERIFY AGE.**

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

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

" [NEW MATERIAL] CREDIT--CERTAIN ELECTRONIC EQUIPMENT. --

**A. A taxpayer who files an individual New Mexico
income tax return, who is not a dependent of another
individual, is licensed by the state to sell cigarettes, other
tobacco products or alcoholic beverages and has purchased and
has in use equipment that electronically reads identification
cards to verify age, may claim a one-time credit in an amount
equal to three hundred dollars (\$300) for each business**

underscored material = new
[bracketed material] = delete

underscored material = new
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1 location the taxpayer has such equipment in use.

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

5 C. 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 credit provided in
8 this section that would have been allowed on a joint return.

9 D. A taxpayer who otherwise qualifies and claims a
10 credit pursuant to this section for equipment owned by a
11 partnership or other business association of which the
12 taxpayer is a member may claim a credit only in proportion to
13 his interest in the partnership or association. The total
14 credit claimed by all members of the partnership or
15 association shall not exceed three hundred dollars (\$300) in
16 the aggregate for each business location for which the
17 partnership or association has purchased equipment and has it
18 in use. "

19 Section 2. A new section of the Corporate Income and
20 Franchise Tax Act is enacted to read:

21 "[NEW MATERIAL] CREDIT--CERTAIN ELECTRONIC EQUIPMENT.--

22 A. A taxpayer who files a New Mexico corporate
23 income tax return, is licensed by the state to sell
24 cigarettes, other tobacco products or alcoholic beverages and
25 has purchased and has in use equipment that electronically

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underscored material = new
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1 reads identification cards to verify age, may claim a one-time
2 credit in an amount equal to three hundred dollars (\$300) for
3 each business location the taxpayer has such equipment in use.

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

7 C. A taxpayer who otherwise qualifies and claims a
8 credit pursuant to this section for equipment owned by a
9 partnership or other business association of which the
10 taxpayer is a member may claim a credit only in proportion to
11 his interest in the partnership or association. The total
12 credit claimed by all members of the partnership or
13 association shall not exceed three hundred dollars (\$300) in
14 the aggregate for each business location the partnership or
15 association has purchased equipment and has it in use."

16 Section 3. APPLICABILITY. -- The provisions of this act
17 apply to taxable years beginning on or after January 1, 2001.