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HOUSE BILL 282

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Nate Gentry and Mimi Stewart

AN ACT

RELATING TO TAXATION; CREATING THE GENDER PAY EQUITY INCOME TAX CREDIT AND THE GENDER PAY EQUITY CORPORATE INCOME TAX CREDIT.

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] GENDER PAY EQUITY INCOME TAX CREDIT.--

A. A taxpayer who is not a dependent of another individual, who employs men and women and who provides one hundred percent gender pay equity in the employment of the taxpayer's employees may apply for, and the department may allow, a credit in an amount equal to five thousand dollars (\$5,000) against the taxpayer's tax liability imposed pursuant to the Income Tax Act. The tax credit provided by this section may be referred to as the "gender pay equity income tax

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1 credit".

2 B. To be eligible to claim a gender pay equity
3 income tax credit, the taxpayer shall apply for a certificate
4 of eligibility from the human rights commission that certifies
5 the taxpayer has provided one hundred percent gender pay equity
6 in the employment of the taxpayer's employees in the previous
7 calendar year. The taxpayer shall apply to the commission on
8 forms and in the manner prescribed by the commission. To
9 determine if a taxpayer has provided one hundred percent gender
10 pay equity, the commission shall consider job classifications
11 using categories determined by the commission, the part-time or
12 full-time status of the employees, the total number of hours
13 worked by each employee and the total compensation for each
14 employee in the previous calendar year. If the commission
15 determines that the taxpayer meets the requirements of this
16 section, the commission shall issue a certificate of
17 eligibility to the taxpayer.

18 C. A taxpayer may claim a gender pay equity income
19 tax credit within one calendar year of being certified pursuant
20 to Subsection B of this section. To receive a gender pay
21 equity income tax credit, a taxpayer shall apply to the
22 department on forms and in the manner prescribed by the
23 department. The application shall include a certification made
24 pursuant to Subsection B of this section.

25 D. That portion of a gender pay equity income tax

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1 credit that exceeds a taxpayer's tax liability in the taxable
2 year in which the credit is claimed may be carried forward for
3 a maximum of three consecutive taxable years.

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

8 F. A taxpayer may be allocated the right to claim a
9 gender pay equity income tax credit in proportion to the
10 taxpayer's ownership interest if the taxpayer owns an interest
11 in a business entity that is taxed for federal income tax
12 purposes as a partnership and that business entity has met all
13 of the requirements to be eligible for the credit. The total
14 credit claimed by all members of the partnership or by a
15 limited liability company shall not exceed the allowable credit
16 pursuant to Subsection A of this section.

17 G. A taxpayer allowed a credit pursuant to this
18 section shall report the amount of the credit to the department
19 in a manner required by the department.

20 H. The department shall compile an annual report on
21 the gender pay equity income tax credit that shall include the
22 number of taxpayers approved by the department to receive the
23 credit, the aggregate amount of credits approved and any other
24 information necessary to evaluate the effectiveness of the
25 credit. The department shall compile and present the annual

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1 reports to the revenue stabilization and tax policy committee
2 and the legislative finance committee with an analysis of the
3 effectiveness and cost of the credit and whether the credit is
4 performing the purpose for which it was created."

5 SECTION 2. A new section of the Corporate Income and
6 Franchise Tax Act is enacted to read:

7 "[NEW MATERIAL] GENDER PAY EQUITY CORPORATE INCOME TAX
8 CREDIT.--

9 A. A taxpayer that employs men and women and that
10 provides one hundred percent gender pay equity in the
11 employment of the taxpayer's employees may apply for, and the
12 department may allow, a credit in an amount equal to five
13 thousand dollars (\$5,000) against the taxpayer's tax liability
14 imposed pursuant to the Corporate Income and Franchise Tax Act.
15 The tax credit provided by this section may be referred to as
16 the "gender pay equity corporate income tax credit".

17 B. To be eligible to claim a gender pay equity
18 corporate income tax credit, the taxpayer shall apply for a
19 certificate of eligibility from the human rights commission
20 that certifies the taxpayer has provided one hundred percent
21 gender pay equity in the employment of the taxpayer's employees
22 in the previous calendar year. The taxpayer shall apply to the
23 commission on forms and in the manner prescribed by the
24 commission. To determine if a taxpayer has provided one
25 hundred percent gender pay equity, the commission shall

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1 consider job classifications using categories determined by the
2 commission, the part-time or full-time status of the employees,
3 the total number of hours worked by each employee and the total
4 compensation for each employee in the previous calendar year.

5 If the commission determines that the taxpayer meets the
6 requirements of this section, the commission shall issue a
7 certificate of eligibility to the taxpayer.

8 C. A taxpayer may claim a gender pay equity
9 corporate income tax credit within one calendar year of being
10 certified pursuant to Subsection B of this section. To receive
11 a gender pay equity corporate income tax credit, a taxpayer
12 shall apply to the department on forms and in the manner
13 prescribed by the department. The application shall include a
14 certification made pursuant to Subsection B of this section.

15 D. That portion of a gender pay equity corporate
16 income tax credit that exceeds a taxpayer's tax liability in
17 the taxable year in which the credit is claimed may be carried
18 forward for a maximum of three consecutive taxable years.

19 E. A taxpayer allowed a credit pursuant to this
20 section shall report the amount of the credit to the department
21 in a manner required by the department.

22 F. The department shall compile an annual report on
23 the gender pay equity corporate income tax credit that shall
24 include the number of taxpayers approved by the department to
25 receive the credit, the aggregate amount of credits approved

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1 and any other information necessary to evaluate the
2 effectiveness of the credit. The department shall compile and
3 present the annual reports to the revenue stabilization and tax
4 policy committee and the legislative finance committee with an
5 analysis of the effectiveness and cost of the credit and
6 whether the credit is performing the purpose for which it was
7 created."

8 SECTION 3. APPLICABILITY.--The provisions of this act
9 apply to taxable years beginning on or after January 1, 2016.