

1 HOUSE BILL 299

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

3 INTRODUCED BY

4 Jim R. Trujillo

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS
12 FOR STATE-PAID CHILD DAYCARE AND PRE-KINDERGARTEN SERVICES.

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

15 SECTION 1. A new section of the Gross Receipts and
16 Compensating Tax Act is enacted to read:

17 "~~[NEW MATERIAL]~~ DEDUCTION--GROSS RECEIPTS--CHILD DAYCARE
18 SERVICES--PRE-KINDERGARTEN SERVICES--RECEIPT FROM STATE.--

19 A. Beginning July 1, 2016 and until July 1, 2024,
20 receipts of fees paid by the state for the provision of the
21 following services may be deducted from gross receipts:

22 (1) child daycare services; and

23 (2) pre-kindergarten services provided under
24 the Pre-Kindergarten Act.

25 B. The purposes of the deduction authorized by this

.203158.1

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underscoring material = new
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1 section are to:

2 (1) give private, for-profit child daycare and
3 pre-kindergarten service providers a gross receipts tax benefit
4 equivalent to that of not-for-profit child daycare and pre-
5 kindergarten service providers; and

6 (2) encourage growth in the provision of child
7 daycare and pre-kindergarten services.

8 C. A taxpayer allowed the deduction authorized by
9 this section shall report the amount of the deduction
10 separately in a manner required by the department.

11 D. Beginning in 2017, the department shall compile
12 an annual report on the deduction provided by this section that
13 includes the number of taxpayers that claimed the deduction,
14 the aggregate amount of deductions claimed and any other
15 information necessary to evaluate the effectiveness of the
16 deduction. The department shall present the report to the
17 revenue stabilization and tax policy committee and the
18 legislative finance committee with an analysis of the
19 effectiveness and cost of the deduction and whether the
20 deduction is performing the purpose for which it was created."