

HOUSE BILL 515

**54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

INTRODUCED BY

Micaela Lara Cadena and Jim R. Trujillo

AN ACT

RELATING TO TAXATION; CREATING A GROSS RECEIPTS TAX DEDUCTION FOR THE SALE OF CHILD CARE ASSISTANCE THROUGH A LICENSED CHILD CARE ASSISTANCE PROGRAM.

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

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

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--CHILD CARE ASSISTANCE THROUGH A LICENSED CHILD CARE ASSISTANCE PROGRAM.--

A. Receipts from the sale of child care assistance services by a taxpayer pursuant to a contract with the children, youth and families department to provide such services through a licensed child care assistance program may be deducted from gross receipts.

B. A taxpayer allowed a deduction pursuant to this .212835.2

underscoring material = new  
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underscored material = new  
[bracketed material] = delete

1 section shall report the amount of the deduction separately in  
2 a manner required by the department.

3 C. The department shall compile an annual report on  
4 the deduction provided by this section that shall include the  
5 number of taxpayers that claimed the deduction, the aggregate  
6 amount of deductions claimed and any other information  
7 necessary to evaluate the effectiveness of the deduction. The  
8 department shall present the report to the revenue  
9 stabilization and tax policy committee and the legislative  
10 finance committee with an analysis of the cost of the  
11 deduction.

12 D. As used in this section:

13 (1) "child care assistance" means "child care  
14 assistance" or "early childhood care assistance", as those  
15 terms are defined in the Early Childhood Care Accountability  
16 Act; and

17 (2) "licensed child care assistance program"  
18 means "licensed child care program", "licensed early childhood  
19 care program" or "licensed exempt child care program", as those  
20 terms are defined in the Early Childhood Care Accountability  
21 Act."

22 **SECTION 2. EFFECTIVE DATE.**--The effective date of the  
23 provisions of this act is July 1, 2019.