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SENATE BILL 300

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

INTRODUCED BY
Clemente Sanchez

AN ACT

RELATING TO TAXATION; CREATING A DEPENDENT DEDUCTION PURSUANT
TO THE INCOME TAX ACT.

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] DEDUCTION FROM NET INCOME FOR CERTAIN
DEPENDENTS.--

A. A taxpayer who is not a dependent of another
individual may claim a deduction from net income in an amount
equal to four thousand dollars (\$4,000) for each dependent
claimed on the taxpayer's return; provided that the exemption
amount pursuant to Section 151 of the Internal Revenue Code, as
that section may be amended or renumbered, means zero. The
deduction provided in this section may be referred to as the

underscored material = new
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underscored material = new
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1 "dependent deduction".

2 B. Married individuals filing separate returns for
3 a taxable year for which they could have filed a joint return
4 may each claim only one-half of the dependent deduction that
5 would have been claimed on a joint return.

6 C. A taxpayer allowed a deduction pursuant to this
7 section shall report the amount of the deduction to the
8 department in a manner required by the department.

9 D. The department shall compile an annual report on
10 the deduction provided by this section that shall include the
11 number of taxpayers that claimed the deduction, the aggregate
12 amount of deductions claimed and any other information
13 necessary to evaluate the effectiveness of the deduction. The
14 department shall present the annual report to the revenue
15 stabilization and tax policy committee and the legislative
16 finance committee with an analysis of the cost of the
17 deduction.

18 E. As used in this section, "dependent" means
19 "dependent" as defined in Section 152 of the Internal Revenue
20 Code, as that section may be amended or renumbered."

21 **SECTION 2. APPLICABILITY.**--The provisions of this act
22 apply to taxable years beginning on or after January 1, 2019.