

HOUSE BILL 166

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; CREATING GROSS RECEIPTS TAX DEDUCTIONS FOR THE SALE OF CHILD CARE ASSISTANCE THROUGH A LICENSED CHILD CARE ASSISTANCE PROGRAM AND PRE-KINDERGARTEN SERVICES BY FOR-PROFIT PRE-KINDERGARTEN PROVIDERS.

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] DEDUCTIONS--GROSS RECEIPTS--CHILD CARE ASSISTANCE THROUGH A LICENSED CHILD CARE ASSISTANCE PROGRAM--PRE-KINDERGARTEN SERVICES BY FOR-PROFIT PRE-KINDERGARTEN PROVIDERS.--

A. Receipts from the sale of child care assistance services by a taxpayer pursuant to a contract or grant with the early childhood education and care department to provide such

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1 services through a licensed child care assistance program may
2 be deducted from gross receipts.

3 B. Receipts of for-profit pre-kindergarten
4 providers for the sale of pre-kindergarten services pursuant to
5 the Pre-Kindergarten Act may be deducted from gross receipts.

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

9 D. The department shall compile an annual report on
10 the deductions provided by this section that shall include the
11 number of taxpayers that claimed each deduction, the aggregate
12 amount of deductions claimed and any other information
13 necessary to evaluate the effectiveness of the deductions. The
14 department shall present the 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 deductions.

18 E. As used in this section:

19 (1) "child care assistance" means "child care
20 assistance" or "early childhood care assistance", as those
21 terms are defined in the Early Childhood Care Accountability
22 Act; and

23 (2) "licensed child care assistance program"
24 means "licensed child care program", "licensed early childhood
25 care program" or "licensed exempt child care program", as those

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1 terms are defined in the Early Childhood Care Accountability
2 Act."

3 SECTION 2. EFFECTIVE DATE.--The effective date of the
4 provisions of this act is July 1, 2024.