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SENATE BILL 111

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Peter Wirth

AN ACT

RELATING TO TAXATION; CREATING THE LOCAL NEWS PRINTER INCOME
TAX CREDIT AND LOCAL NEWS PRINTER 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] LOCAL NEWS PRINTER INCOME TAX CREDIT.--

A. For taxable years prior to January 1, 2030, a
taxpayer who is not a dependent of another individual and is
an owner of a local news printer that employs a qualified
employee may claim a credit against the taxpayer's tax
liability imposed pursuant to the Income Tax Act in an amount
provided in Subsection B of this section. The tax credit
provided by this section may be referred to as the "local news
printer income tax credit".

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1 B. The amount of tax credit shall be in an amount
2 equal to the wages paid to each qualified employee employed by
3 a local news printer in the taxable year for which the tax
4 credit is claimed, not to exceed:

5 (1) ten thousand dollars (\$10,000) for a
6 qualified employee working an average of twenty hours or more
7 per week in the taxable year; and

8 (2) five thousand dollars (\$5,000) for a
9 qualified employee working an average of less than twenty hours
10 per week in the taxable year.

11 C. A taxpayer shall apply for certification of
12 eligibility for the tax credit from the department on forms and
13 in the manner prescribed by the department. A taxpayer shall
14 not be eligible to receive a tax credit for more than one
15 hundred qualified employees whom the taxpayer employs as a
16 local news printer and, except as provided in Subsections F and
17 G of this section, only one tax credit shall be certified for
18 each qualified employee employed by a local news printer per
19 taxable year. The total annual aggregate amount of local news
20 printer income tax credits and local news printer corporate
21 income tax credits that may be certified in a calendar year
22 shall not exceed one million dollars (\$1,000,000). Completed
23 applications shall be considered in the order received.

24 D. If the department determines that the taxpayer
25 meets the requirements of this section, the department shall

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1 issue a dated certificate of eligibility to the taxpayer
2 providing the amount of tax credit for which the taxpayer is
3 eligible and the taxable years in which the credit may be
4 claimed.

5 E. That portion of tax credit that exceeds a
6 taxpayer's income tax liability in the taxable year in which
7 the credit is claimed shall be refunded to the taxpayer.

8 F. Married individuals filing separate returns for
9 a taxable year for which they could have filed a joint return
10 may each claim only one-half of the tax credit that would have
11 been claimed on a joint return.

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

21 H. A taxpayer allowed to claim a tax credit
22 pursuant to this section shall claim the tax credit in a manner
23 required by the department.

24 I. The credit provided by this section shall be
25 included in the tax expenditure budget pursuant to Section

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1 7-1-84 NMSA 1978, including the total annual aggregate cost of
2 the credit.

3 J. As used in this section:

4 (1) "local news organization" means an entity
5 that:

6 (a) provides a print or digital
7 publication that engages professionals who regularly gather,
8 prepare, collect, photograph, record, direct the recording of,
9 produce, write, edit, report or publish news or information
10 that concerns state or local events or other matters of public
11 interest for dissemination to the state or a local community
12 through reporting activities, including conducting interviews,
13 observing current events or analyzing documents;

14 (b) pays at least one individual, either
15 through employment or by contract with the entity, as a
16 qualified employee;

17 (c) in the case of print publications,
18 has published at least one print publication per month over the
19 previous thirty-six months and holds a valid United States
20 postal service periodical permit or has at least thirty percent
21 of its content dedicated to state or local news;

22 (d) in the case of digital-only
23 entities, has published at least five originally produced
24 stories about the state or a local community per week over the
25 previous thirty-six months and has at least fifty percent of

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1 its digital audience in New Mexico, averaged over a twelve-
2 month period;

3 (e) discloses in its print publication
4 or on its website its beneficial ownership or, in the case of a
5 not-for-profit entity, its board of directors;

6 (f) in the case of an organization that
7 demonstrates to the department that the organization has been
8 granted exemption from the federal income tax by the United
9 States commissioner of internal revenue as organizations
10 described in Section 501(c)(3) of the Internal Revenue Code,
11 has declared the coverage of state or local news as the stated
12 mission in its filings with the federal internal revenue
13 service;

14 (g) has not received more than ten
15 percent of its gross receipts for the previous year from
16 political action committees or other entities described in
17 Section 527 of the Internal Revenue Code, or from an
18 organization that has been granted exemption from the federal
19 income tax by the United States commissioner of internal
20 revenue as an organization described in Section 501(c)(4) or
21 501(c)(6) of the Internal Revenue Code; and

22 (h) is not a publicly traded entity or
23 is no more than forty-nine percent owned, directly or
24 indirectly, by a publicly traded entity or subsidiary;

25 (2) "local news printer" means an entity that:

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1 (a) provides manufacturing, production
2 and printing services using a web press designed and optimized
3 for printing newspapers for a local news organization;

4 (b) has been engaging in the business of
5 manufacturing, producing and printing newspapers for at least
6 five years;

7 (c) employs at least five qualified
8 employees; and

9 (d) is not a publicly traded entity or
10 is no more than forty-nine percent owned, directly or
11 indirectly, by a publicly traded entity or subsidiary;

12 (3) "qualified employee" means a person who:

13 (a) is paid by a local news printer to
14 regularly perform duties related to pre-press, press and post-
15 press newspaper production to prepare newspapers for transition
16 to delivery and distribution personnel;

17 (b) works at a physical location in New
18 Mexico; and

19 (c) works as a qualified employee for
20 the local news printer for at least twenty-five percent of the
21 taxable year in which the credit is claimed; and

22 (4) "wages" means compensation paid by a local
23 news printer to a qualified employee through the organization's
24 payroll system, including those wages that the qualified
25 employee elects to defer or redirect or the qualified

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1 employee's contribution to a 401(k) or cafeteria plan program.
2 "Wages" does not mean benefits or the organization's share of
3 payroll taxes, social security or medicare contributions,
4 federal or state unemployment insurance contributions or
5 workers' compensation."

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

8 "[NEW MATERIAL] LOCAL NEWS PRINTER CORPORATE INCOME TAX
9 CREDIT.--

10 A. For taxable years prior to January 1, 2030, a
11 taxpayer that is an owner of a local news printer that employs
12 a qualified employee may claim a credit against the taxpayer's
13 tax liability imposed pursuant to the Corporate Income and
14 Franchise Tax Act in an amount provided in Subsection B of this
15 section. The tax credit provided by this section may be
16 referred to as the "local news printer corporate income tax
17 credit".

18 B. The amount of tax credit shall be in an amount
19 equal to the wages paid to each qualified employee employed by
20 a local news printer in the taxable year for which the tax
21 credit is claimed, not to exceed:

22 (1) ten thousand dollars (\$10,000) for a
23 qualified employee working an average of twenty hours or more
24 per week in the taxable year; and

25 (2) five thousand dollars (\$5,000) for a

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1 qualified employee working an average of less than twenty hours
2 per week in the taxable year.

3 C. A taxpayer shall apply for certification of
4 eligibility for the tax credit from the department on forms and
5 in the manner prescribed by the department. A taxpayer shall
6 not be eligible to receive a tax credit for more than one
7 hundred qualified employees whom the taxpayer employs as a
8 local news printer and only one tax credit shall be certified
9 for each qualified employee employed by a local news printer
10 per taxable year. The total annual aggregate amount of local
11 news printer corporate income tax credits and local news
12 printer income tax credits that may be certified in a calendar
13 year shall not exceed one million dollars (\$1,000,000).
14 Completed applications shall be considered in the order
15 received.

16 D. If the department determines that the taxpayer
17 meets the requirements of this section, the department shall
18 issue a dated certificate of eligibility to the taxpayer
19 providing the amount of tax credit for which the taxpayer is
20 eligible and the taxable years in which the credit may be
21 claimed.

22 E. That portion of tax credit that exceeds a
23 taxpayer's income tax liability in the taxable year in which
24 the credit is claimed shall be refunded to the taxpayer.

25 F. A taxpayer allowed to claim a tax credit

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1 pursuant to this section shall claim the tax credit in a manner
2 required by the department.

3 G. The credit provided by this section shall be
4 included in the tax expenditure budget pursuant to Section
5 7-1-84 NMSA 1978, including the total annual aggregate cost of
6 the credit.

7 H. As used in this section:

8 (1) "local news organization" means an entity
9 that:

10 (a) provides a print or digital
11 publication that engages professionals who regularly gather,
12 prepare, collect, photograph, record, direct the recording of,
13 produce, write, edit, report or publish news or information
14 that concerns state or local events or other matters of public
15 interest for dissemination to the state or a local community
16 through reporting activities, including conducting interviews,
17 observing current events or analyzing documents;

18 (b) pays at least one individual, either
19 through employment or by contract with the entity, as a
20 qualified employee;

21 (c) in the case of print publications,
22 has published at least one print publication per month over the
23 previous thirty-six months and holds a valid United States
24 postal service periodical permit or has at least thirty percent
25 of its content dedicated to state or local news;

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1 (d) in the case of digital-only
2 entities, has published at least five originally produced
3 stories about the state or a local community per week over the
4 previous thirty-six months and has at least fifty percent of
5 its digital audience in New Mexico, averaged over a twelve-
6 month period;

7 (e) discloses in its print publication
8 or on its website its beneficial ownership or, in the case of a
9 not-for-profit entity, its board of directors;

10 (f) in the case of an organization that
11 demonstrates to the department that the organization has been
12 granted exemption from the federal income tax by the United
13 States commissioner of internal revenue as organizations
14 described in Section 501(c)(3) of the Internal Revenue Code,
15 has declared the coverage of state or local news as the stated
16 mission in its filings with the federal internal revenue
17 service;

18 (g) has not received more than ten
19 percent of its gross receipts for the previous year from
20 political action committees or other entities described in
21 Section 527 of the Internal Revenue Code, or from an
22 organization that has been granted exemption from the federal
23 income tax by the United States commissioner of internal
24 revenue as an organization described in Section 501(c)(4) or
25 501(c)(6) of the Internal Revenue Code; and

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1 (h) is not a publicly traded entity or
2 is no more than forty-nine percent owned, directly or
3 indirectly, by a publicly traded entity or subsidiary;

4 (2) "local news printer" means an entity that:

5 (a) provides manufacturing, production
6 and printing services using a web press designed and optimized
7 for printing newspapers for a local news organization;

8 (b) has been engaging in the business of
9 manufacturing, producing and printing newspapers for at least
10 five years;

11 (c) employs at least five qualified
12 employees; and

13 (d) is not a publicly traded entity or
14 is no more than forty-nine percent owned, directly or
15 indirectly, by a publicly traded entity or subsidiary;

16 (3) "qualified employee" means a person who:

17 (a) is paid by a local news printer to
18 regularly perform duties related to pre-press, press and post-
19 press newspaper production to prepare newspapers for transition
20 to delivery and distribution personnel;

21 (b) works at a physical location in New
22 Mexico; and

23 (c) works as a qualified employee for
24 the local news printer for at least twenty-five percent of the
25 taxable year in which the credit is claimed; and

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1 (4) "wages" means compensation paid by a local
2 news printer to a qualified employee through the organization's
3 payroll system, including those wages that the qualified
4 employee elects to defer or redirect or the qualified
5 employee's contribution to a 401(k) or cafeteria plan program.
6 "Wages" does not mean benefits or the organization's share of
7 payroll taxes, social security or medicare contributions,
8 federal or state unemployment insurance contributions or
9 workers' compensation."

10 SECTION 3. APPLICABILITY.--The provisions of this act
11 apply to taxable years beginning on or after January 1, 2025.

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