

1 SENATE BILL 335

2 57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

3 INTRODUCED BY

4 Michael Padilla and Rebecca Dow

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10 AN ACT

11 RELATING TO TAXATION; CREATING THE FOSTER PARENT AND GUARDIAN
12 INCOME TAX CREDIT.

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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 Income Tax Act is enacted
16 to read:

17 "[NEW MATERIAL] CREDIT--FOSTER PARENT AND GUARDIAN INCOME
18 TAX CREDIT.--

19 A. A taxpayer who is a resident, who is not a
20 dependent of another individual and who is a foster parent or a
21 guardian of a child may claim a credit against the taxpayer's
22 tax liability imposed pursuant to the Income Tax Act. The
23 credit authorized pursuant to this section may be referred to
24 as the "foster parent and guardian income tax credit".

25 B. The amount of the tax credit shall be in an

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1 amount equal to five hundred dollars (\$500) for each month the
2 taxpayer is a foster parent or guardian of a child in the
3 taxable year in which the tax credit is claimed; provided that
4 the taxpayer shall be a foster parent or guardian for more than
5 fifty percent of that month; and provided further that the
6 maximum amount of credit that may be claimed by a taxpayer in a
7 taxable year is six thousand dollars (\$6,000).

8 C. A taxpayer shall apply for certification of
9 eligibility for the tax credit from the children, youth and
10 families department on forms and in the manner prescribed by
11 that department. Except as provided in Subsection E of this
12 section, only one tax credit shall be certified per taxpayer
13 per taxable year. If the children, youth and families
14 department determines that the taxpayer meets the requirements
15 of this section, that department shall issue a dated
16 certificate of eligibility to the taxpayer providing the amount
17 of tax credit for which the taxpayer is eligible and the
18 taxable years in which the credit may be claimed. The
19 children, youth and families department shall provide the
20 department with the certificates of eligibility issued pursuant
21 to this subsection in an electronic format at regularly agreed
22 upon intervals.

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

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

5 F. A taxpayer allowed to claim a tax credit
6 pursuant to this section shall claim the tax credit in a manner
7 required by the department. The credit shall be claimed within
8 one taxable year of the end of the year in which the children,
9 youth and families department certifies the credit.

10 G. The credit provided by this section shall be
11 included in the tax expenditure budget pursuant to Section
12 7-1-84 NMSA 1978, including the total annual aggregate cost of
13 the credit.

14 H. As used in this section:

15 (1) "child" means an unemancipated individual
16 who has not reached eighteen years of age;

17 (2) "foster parent" means a person licensed or
18 certified by the children, youth and families department or a
19 child placement agency to provide care for children in the
20 custody of the department or agency; and

21 (3) "guardian" means a person appointed as a
22 guardian by a court or an Indian tribal authority pursuant to
23 the Kinship Guardianship Act, but does not include a person
24 appointed as a guardian ad litem."

25 SECTION 2. APPLICABILITY.--The provisions of this act

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apply to taxable years beginning on or after January 1, 2025.

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