

HOUSE BILL 542

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; CREATING THE CHILDBIRTH 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]~~ CREDIT--CHILDBIRTH INCOME TAX CREDIT.--

A. A taxpayer who is a resident, who is not a dependent of another individual and who gives birth to a child may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act for the taxable year in which the child is born. The credit authorized pursuant to this section may be referred to as the "childbirth income tax credit".

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

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1 amount equal to seven thousand dollars (\$7,000) for the taxable
2 year the taxpayer gives birth to a child.

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

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

20 E. A taxpayer allowed to claim a tax credit
21 pursuant to this section shall claim the tax credit in a manner
22 required by the department. The credit shall be claimed within
23 three taxable years of the end of the year in which the
24 children, youth and families department certifies the credit.

25 F. The credit provided by this section shall be

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1 included in the tax expenditure budget pursuant to Section
2 7-1-84 NMSA 1978, including the annual aggregate cost of the
3 credit."

4 SECTION 2. APPLICABILITY.--The provisions of this act
5 apply to taxable years beginning on or after January 1, 2025.

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