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SENATE BILL 110

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

INTRODUCED BY

Peter Wirth

AN ACT

RELATING TO TAXATION; CREATING THE LOCAL JOURNALIST EMPLOYMENT  
INCOME TAX CREDIT AND LOCAL JOURNALIST EMPLOYMENT 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 JOURNALIST EMPLOYMENT 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 organization that employs a journalist  
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

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1 section may be referred to as the "local journalist employment  
2 income tax credit".

3 B. The amount of tax credit shall be in an amount  
4 equal to thirty percent of wages paid to each journalist  
5 employed by a local news organization.

6 C. A taxpayer shall apply for certification of  
7 eligibility for the tax credit from the department on forms and  
8 in the manner prescribed by the department. A taxpayer shall  
9 not be eligible to receive a tax credit for more than seventy-  
10 five journalists whom the taxpayer employs as a local news  
11 organization and, except as provided in Subsections F and G of  
12 this section, only one tax credit shall be certified for each  
13 journalist employed by a local news organization per taxable  
14 year. The total annual aggregate amount of local journalist  
15 employment income tax credits and local journalist employment  
16 corporate income tax credits that may be certified in a  
17 calendar year shall not exceed four million dollars  
18 (\$4,000,000). Completed applications shall be considered in  
19 the order received.

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

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

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

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

17           H. A taxpayer allowed to claim a tax credit  
18 pursuant to this section shall claim the tax credit in a manner  
19 required by the department.

20           I. The tax credit provided by this section shall be  
21 included in the tax expenditure budget pursuant to Section  
22 7-1-84 NMSA 1978, including the total annual aggregate cost of  
23 the tax credit.

24           J. As used in this section:

25                   (1) "journalist" means a person who:

1 (a) is paid by a local news organization  
2 to regularly gather, prepare, collect, photograph, record,  
3 direct the recording of, produce, write, edit, report or  
4 publish news or information that concerns state or local events  
5 or other matters of public interest for dissemination to the  
6 state or a local community through reporting activities,  
7 including conducting interviews, observing current events or  
8 analyzing documents;

9 (b) resides within fifty miles of the  
10 coverage area assigned by the local news organization; and

11 (c) works as a journalist for the local  
12 news organization for at least twenty-five percent of the  
13 taxable year in which the credit is claimed;

14 (2) "local news organization" means an entity  
15 that:

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

24 (b) pays at least one individual, either  
25 through employment or by contract with the entity, as a

1 journalist;

2 (c) in the case of print publications,  
3 has published at least one print publication per month over the  
4 previous twenty-four months and holds a valid United States  
5 postal service periodical permit or has at least thirty percent  
6 of its content dedicated to state or local news;

7 (d) in the case of digital-only  
8 entities, has published at least four originally produced  
9 stories about the state or a local community per week over the  
10 previous twenty-four months and has at least fifty percent of  
11 its digital audience in New Mexico, averaged over a twelve-  
12 month period;

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

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

24 (g) has not received more than ten  
25 percent of its gross receipts for the previous year from

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1 political action committees or other entities described in  
2 Section 527 of the Internal Revenue Code, or from an  
3 organization that has been granted exemption from the federal  
4 income tax by the United States commissioner of internal  
5 revenue as an organization described in Section 501(c)(4) or  
6 501(c)(6) of the Internal Revenue Code; and

7 (h) is not a publicly traded entity or  
8 is no more than forty-nine percent owned, directly or  
9 indirectly, by a publicly traded entity or subsidiary; and

10 (3) "wages" means not more than fifty thousand  
11 dollars (\$50,000) in compensation paid by a local news  
12 organization to a journalist through the organization's payroll  
13 system, including those wages that the journalist elects to  
14 defer or redirect or the journalist's contribution to a 401(k)  
15 or cafeteria plan program. "Wages" does not mean benefits or  
16 the organization's share of payroll taxes, social security or  
17 medicare contributions, federal or state unemployment insurance  
18 contributions or workers' compensation."

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

21 "[NEW MATERIAL] LOCAL JOURNALIST EMPLOYMENT CORPORATE  
22 INCOME TAX CREDIT.--

23 A. For taxable years prior to January 1, 2030, a  
24 taxpayer that is a local news organization that employs a  
25 journalist may claim a credit against the taxpayer's tax

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1 liability imposed pursuant to the Corporate Income and  
2 Franchise Tax Act in an amount provided in Subsection B of this  
3 section. The tax credit provided by this section may be  
4 referred to as the "local journalist employment corporate  
5 income tax credit".

6 B. The amount of tax credit shall be in an amount  
7 equal to thirty percent of wages paid to each journalist  
8 employed by a local news organization.

9 C. A taxpayer shall apply for certification of  
10 eligibility for the tax credit from the department on forms and  
11 in the manner prescribed by the department. A taxpayer shall  
12 not be eligible to receive a tax credit for more than seventy-  
13 five journalists whom the taxpayer employs as a local news  
14 organization, and only one tax credit shall be certified for  
15 each journalist employed by a local news organization per  
16 taxable year. The total annual aggregate amount of local  
17 journalist employment corporate income tax credits and local  
18 journalist employment income tax credits that may be certified  
19 in a calendar year shall not exceed four million dollars  
20 (\$4,000,000). Completed applications shall be considered in  
21 the order received.

22 D. If the department determines that the taxpayer  
23 meets the requirements of this section, the department shall  
24 issue a dated certificate of eligibility to the taxpayer  
25 providing the amount of tax credit for which the taxpayer is

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1 eligible and the taxable years in which the credit may be  
2 claimed.

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

7 F. A taxpayer allowed to claim a tax credit  
8 pursuant to this section shall claim the tax credit in a manner  
9 required by the department.

10 G. The tax 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 tax credit.

14 H. As used in this section:

15 (1) "journalist" means a person who:

16 (a) is paid by a local news organization  
17 to regularly gather, prepare, collect, photograph, record,  
18 direct the recording of, produce, write, edit, report or  
19 publish news or information that concerns state or local events  
20 or other matters of public interest for dissemination to the  
21 state or a local community through reporting activities,  
22 including conducting interviews, observing current events or  
23 analyzing documents;

24 (b) resides within fifty miles of the  
25 coverage area assigned by the local news organization; and

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1 (c) works as a journalist for the local  
2 news organization for at least twenty-five percent of the  
3 taxable year in which the credit is claimed;

4 (2) "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 journalist;

17 (c) in the case of print publications,  
18 has published at least one print publication per month over the  
19 previous twenty-four 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 four originally produced  
24 stories about the state or a local community per week over the  
25 previous twenty-four months and has at least fifty percent of

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; and

25 (3) "wages" means not more than fifty thousand

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1 dollars (\$50,000) in compensation paid by a local news  
2 organization to a journalist through the organization's payroll  
3 system, including those wages that the journalist elects to  
4 defer or redirect or the journalist's contribution to a 401(k)  
5 or cafeteria plan program. "Wages" does not mean benefits or  
6 the organization's share of payroll taxes, social security or  
7 medicare contributions, federal or state unemployment insurance  
8 contributions or workers' compensation."

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