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SENATE BILL 41

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY

Roman M. Maes III

FOR THE ECONOMIC AND RURAL DEVELOPMENT AND
TELECOMMUNICATIONS COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING FOR TAX CREDITS FOR
ENTERPRISE ZONE BUSINESSES.

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 FOR ENTERPRISE ZONE BUSINESSES.--

A. A taxpayer who files a New Mexico individual
income tax return, who is not a dependent of another
individual and who is not claiming for the same period any
credit under the Investment Credit Act, may claim a credit
against tax liability attributable to net income from an
unincorporated business facility, as that term is defined in
the Enterprise Zone Act, that has commenced operations in an
enterprise zone on or after the date the enterprise zone has
been designated in accordance with that act if the taxpayer

underscored material = new
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1 can furnish evidence satisfactory to the department that a
2 minimum of five thousand dollars (\$5,000) has been invested
3 for each job created. The credit provided pursuant this
4 section, not to exceed fifty percent of the tax due from net
5 income of the business facility, shall be as follows:

6 (1) an amount not to exceed five hundred
7 dollars (\$500) for each economically disadvantaged or long-
8 term unemployed worker, as defined in the Enterprise Zone
9 Act, employed by the taxpayer in the business facility for at
10 least thirty hours per week for at least six months during
11 the taxable year for which the credit is claimed; and

12 (2) an amount not to exceed two hundred
13 fifty dollars (\$250) for each resident of the state, who is
14 not an economically disadvantaged or long-term unemployed
15 worker as defined in the Enterprise Zone Act, employed by the
16 taxpayer in the business facility for at least thirty hours
17 per week for at least three months during the taxable year
18 for which the credit is claimed.

19 B. For the purposes of this section, a taxpayer
20 having income from both within and without enterprise zones
21 shall separately account for income from business facilities
22 within the enterprise zones and the credit provided by this
23 section may be deducted only from the income tax liability
24 attributable to income from business facilities within
25 enterprise zones.

C. A husband and wife who file separate returns
for a taxable year in which they could have filed a joint

underscored material = new
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1 return may each claim only one-half of the credit that would
2 have been allowed on a joint return.

3 D. A taxpayer who otherwise qualifies and claims a
4 credit for a partnership of which the taxpayer is a member
5 may claim a credit only in proportion to his interest in the
6 partnership, and the total credit claimed by all members of
7 the partnership shall not exceed in the aggregate the amounts
8 of the credit provided in Subsection A of this section.

9 E. Claims for the credit provided in this section
10 shall be limited to the taxable year in which the business
11 facility commenced operations and the four following taxable
12 years.

13 F. To support a claim for credit under this
14 section, the taxpayer shall submit to the department a
15 statement from the labor department verifying that the
16 employee with respect to whom a credit is being claimed was
17 employed by the taxpayer for at least thirty hours per week,
18 or the equivalent thereof, for a period of at least three
19 months. In addition, to support a claim submitted pursuant
20 to Paragraph (1) of Subsection A of this section, the
21 taxpayer shall submit a statement to the taxation and revenue
22 department from the labor department verifying that the
23 employee with respect to whom a credit is being claimed was
24 an economically disadvantaged worker or long-term unemployed
25 worker, as those terms are defined in the Enterprise Zone Act
on the day upon which the employee was hired by the
taxpayer."

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underscored material = new
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1 Section 2. A new section of the Corporate Income and
2 Franchise Tax Act is enacted to read:

3 "[NEW MATERIAL] CREDIT FOR ENTERPRISE ZONE BUSINESSES.--

4 A. A taxpayer who files a New Mexico corporate
5 income tax return and who is not claiming for the same period
6 any credit under the Investment Credit Act may claim a credit
7 against tax liability attributable to net income from an
8 incorporated business facility, as that term is defined in
9 the Enterprise Zone Act, that has commenced operations in an
10 enterprise zone on or after the date the enterprise zone has
11 been designated in accordance with that act if the taxpayer
12 can furnish evidence satisfactory to the department that a
13 minimum of five thousand dollars (\$5,000) has been invested
14 for each job created. The credit provided pursuant to this
15 section, not to exceed fifty percent of the tax due from net
16 income of the business facility, shall be as follows:

17 (1) an amount not to exceed five hundred
18 dollars (\$500) for each economically disadvantaged or long-
19 term unemployed worker, as defined in the Enterprise Zone
20 Act, employed by the taxpayer in the business facility for at
21 least thirty hours per week for at least three months during
22 the taxable year for which the credit is claimed; and

23 (2) an amount not to exceed two hundred
24 fifty dollars (\$250) for each resident of the state, who is
25 not an economically disadvantaged or long-term unemployed
worker, as defined in the Enterprise Zone Act, employed by
the taxpayer in the business facility for at least thirty

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1 hours per week for at least three months during the taxable
2 year for which the credit is claimed.

3 B. For the purpose of this section, a taxpayer
4 having income from both within and without enterprise zones
5 shall separately account for income from business facilities
6 within enterprise zones, and the credit provided by this
7 section maybe deducted only from the corporate income tax
8 liability attributable to income from business facilities
9 within enterprise zones.

10 C. Claims for the credit provided in this section
11 shall be limited to the taxable year in which the business
12 facility commenced operations and the four following taxable
13 years.

14 D. To support a claim for credit under this
15 section, the taxpayer shall submit to the department a
16 statement from the labor department verifying that the
17 employee with respect to whom a credit is being claimed was
18 employed by the taxpayer for at least thirty hours per week,
19 or the equivalent thereof, for a period of at least three
20 months. In addition, to support a claim submitted pursuant
21 to Paragraph (1) of Subsection A of this section, the
22 taxpayer shall submit a statement to the taxation and revenue
23 department from the labor department verifying that the
24 employee with respect to whom a credit is being claimed was
25 an economically disadvantaged worker or long-term unemployed
worker, as those terms are defined in the Enterprise Zone
Act, on the day upon which the employee was hired by the

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taxpayer."

Section 3. APPLICABILITY.--The provisions of this act
apply to taxable years beginning on or after January 1, 2000.