

AN ACT

RELATING TO TAXATION; PROVIDING A ONE-TIME INCOME TAX CREDIT FOR CERTAIN BUSINESSES THAT PURCHASE AND USE EQUIPMENT THAT ELECTRONICALLY READS IDENTIFICATION CARDS TO VERIFY AGE.

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:

"CREDIT--CERTAIN ELECTRONIC EQUIPMENT. --

A. A taxpayer who files an individual New Mexico income tax return, who is not a dependent of another individual, is licensed by the state to sell cigarettes, other tobacco products or alcoholic beverages and has purchased and has in use equipment that electronically reads identification cards to verify age, may claim a one-time credit in an amount equal to three hundred dollars (\$300) for each business location the taxpayer has such equipment in use.

B. The credit provided in this section may only be deducted from the taxpayer's New Mexico income tax liability for the taxable year.

C. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the credit provided in this section that would have been allowed on a joint return.

D. A taxpayer who otherwise qualifies and claims a credit pursuant to this section for equipment owned by a partnership or other business association of which the taxpayer is a member may claim a credit only in proportion to his interest in the partnership or association. The total credit claimed by all members of the partnership or association shall not exceed three hundred dollars (\$300) in the aggregate for each business location for which the partnership or association has purchased equipment and has it in use."

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

"CREDIT--CERTAIN ELECTRONIC EQUIPMENT.--

A. A taxpayer who files a New Mexico corporate income tax return, is licensed by the state to sell cigarettes, other tobacco products or alcoholic beverages and has purchased and has in use equipment that electronically reads identification cards to verify age, may claim a one-time credit in an amount equal to three hundred dollars (\$300) for each business location the taxpayer has such equipment in use.

B. The credit provided in this section may only be deducted from the taxpayer's New Mexico income tax liability for the taxable year.

C. A taxpayer who otherwise qualifies and claims a credit pursuant to this section for equipment owned by a

partnership or other business association of which the taxpayer is a member may claim a credit only in proportion to his interest in the partnership or association. The total credit claimed by all members of the partnership or association shall not exceed three hundred dollars (\$300) in the aggregate for each business location the partnership or association has purchased equipment and has it in use. "

Section 3. APPLICABILITY. --The provisions of this act apply to taxable years beginning on or after January 1, 2001. =