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HOUSE BILL 921

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Debbie A. Rodella

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT FOR
CERTAIN FAMILY CAREGIVERS.

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--FAMILY CAREGIVERS. --

A. For gross receipts taxes paid on the
expenditures made to care for children of family members who
are not dependents, a resident who files an individual New
Mexico income tax return and who is not a dependent of another
individual may claim a credit in the amount of two hundred
dollars (\$200) for each child who is not a dependent of the
resident for federal income tax purposes, but who is a
relative of the resident and is cared for by the resident in

underscored material = new
[bracketed material] = delete

1 the resident's home for more than ten hours each week for at
2 least six months during the taxable year.

3 B. A husband and wife who file separate returns
4 for a taxable year in which they could have filed a joint
5 return may each claim only one-half of the tax rebate that
6 would have been allowed on a joint return.

7 C. The tax credit provided in this section may be
8 deducted from the taxpayer's New Mexico income tax liability
9 for the taxable year. If the tax rebates exceed the
10 taxpayer's income tax liability, the excess shall be refunded
11 to the taxpayer.

12 D. As used in this section:

13 (1) "child" means an individual who is less
14 than eighteen years old;

15 (2) "dependent" means "dependent" as defined
16 by Section 152 of the Internal Revenue Code; and

17 (3) "relative" means a child who is a
18 resident's grandchild, great-grandchild, stepgrandchild, step
19 great-grandchild, niece or nephew or the son or daughter of a
20 son- or daughter-in-law, brother- or sister-in-law, half-
21 brother, half-sister, stepbrother or stepsister. "

22 Section 2. APPLICABILITY. -- The provisions of this act
23 apply to taxable years beginning on or after July 1, 2001.