

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**SENATE BILL 645**

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

**INTRODUCED BY**

**Manny M. Aragon**

**AN ACT**

**RELATING TO TAXATION; ENACTING A SECTION OF THE CORPORATE  
INCOME AND FRANCHISE TAX ACT TO PROVIDE A TAX CREDIT FOR  
CORPORATIONS THAT MAKE CONTRIBUTIONS TO ELIGIBLE COMMUNITY  
DEVELOPMENT PROJECTS; PROVIDING FOR ADMINISTRATION OF A  
COMMUNITY CONTRIBUTION TAX CREDIT PROGRAM**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

**Section 1. A new section of the Corporate Income and  
Franchise Tax Act is enacted to read:**

**" [NEW MATERIAL] COMMUNITY CONTRIBUTION TAX CREDIT--  
CERTIFICATION PROGRAM --**

**A. To encourage the participation of private  
corporations in community housing development projects and  
revitalization projects undertaken by public redevelopment**

underscored material = new  
[bracketed material] = delete

underscored material = new  
[bracketed material] = delete

1 organizations, a taxpayer who files a corporate income tax  
2 return and who has been certified by the division as a  
3 participating business may claim a credit in an amount not to  
4 exceed fifty percent of the value of a community contribution  
5 to a community development project not to exceed two hundred  
6 thousand dollars (\$200,000) in the aggregate for all community  
7 contributions to community development projects made in the  
8 taxable year for which the return is filed.

9 B. A taxpayer may claim the tax credit provided in  
10 this section for each taxable year in which the taxpayer was  
11 certified by the division as a participating business that  
12 made a community contribution to a community development  
13 project and may only claim the credit in the amount certified  
14 by the division, not to exceed the maximum amount allowable in  
15 Subsection A of this section. The division shall not certify  
16 credits pursuant to this section in any taxable year that  
17 exceed ten million dollars (\$10,000,000) in the aggregate.

18 C. The credit provided in this section may only be  
19 deducted from the taxpayer's corporate income tax liability  
20 for the taxable year. Any portion of the maximum tax credit  
21 that remains unused at the end of the taxpayer's taxable year  
22 may be carried forward for five consecutive taxable years,  
23 provided the total tax credits claimed under this section  
24 shall not exceed the maximum allowable under Subsection A of  
25 this section.

underscored material = new  
[bracketed material] = delete

1           D. The division shall establish a community  
2 contribution tax credit program to take applications for and  
3 certify eligible sponsors, community development projects and  
4 participating businesses; to approve and determine the value  
5 of community contributions made by participating businesses to  
6 community development projects; and to certify the tax credits  
7 for which participating businesses are eligible for each  
8 taxable year. Annually, for each business eligible for a tax  
9 credit pursuant to this section, the division shall transmit  
10 to the department, by the date and in the manner required by  
11 the department, the name of each participating business, the  
12 taxpayer identification number, the amount of tax credit  
13 certified for each business and such other information as is  
14 required by the department. The division shall certify the  
15 amounts of community contributions eligible for a credit under  
16 this section in the order of receipt of application, and shall  
17 certify tax credits until the amount of the credits allowed  
18 for the taxable year reaches the maximum amount in Subsection  
19 B of this section. Thereafter, no credits shall be certified  
20 for that taxable year.

21           E. As used in this section:

22                   (1) "community contribution" means a grant to  
23 a community development project that consists of cash or other  
24 liquid assets, real property or goods or other physical  
25 resources identified by the division, and is:

. 133779. 2

underscored material = new  
[bracketed material] = delete

1 (a) used exclusively for the purposes  
2 of that project; and

3 (b) not used for the administrative or  
4 operational costs of the eligible sponsor of the project;

5 (2) "community development project" means any  
6 activity undertaken by an eligible sponsor that:

7 (a) is designed to construct, improve  
8 or substantially rehabilitate housing or commercial,  
9 industrial or public resources and facilities or to improve  
10 entrepreneurial or job development opportunities for low-  
11 income persons; and

12 (b) has been determined by resolution  
13 of the local governmental unit in which it is located to be  
14 consistent with applicable local plans and regulations;

15 (3) "division" means the local government  
16 division of the department of finance and administration;

17 (4) "eligible sponsor" means a municipality,  
18 a county, a community housing development organization, a  
19 regional housing authority or nonprofit corporation created by  
20 an authority pursuant to the Regional Housing Law, a community  
21 development agency created pursuant to the Community  
22 Development Law, a metropolitan redevelopment agency created  
23 pursuant to the Metropolitan Redevelopment Code, a local  
24 government or its designated management organization  
25 administering an enterprise zone pursuant to the Enterprise

underscored material = new  
[bracketed material] = delete

1 Zone Act or similar agency or entity designated by rule of the  
2 division;

3 (5) "community housing development  
4 organization" means a nonprofit corporation in New Mexico that  
5 has been granted an exemption from the federal income tax by  
6 the United States commissioner of internal revenue as an  
7 organization described in Section 501(c)(3) of the Internal  
8 Revenue Code and that is a "community housing development  
9 organization" as that term is defined in 42 USCA 12704(6) for  
10 purposes of the Cranston-Gonzalez National Affordable Housing  
11 Act; and

12 (6) "participating business" means a  
13 corporation that:

14 (a) has been certified by the division  
15 as making or proposing to make a community contribution that  
16 has been accepted or is acceptable to a community development  
17 project; and

18 (b) has no financial interest in the  
19 eligible sponsor of the community development project to which  
20 the business makes the community contribution. "

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