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SENATE BILL 260

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Shirley M Bailey

AN ACT

RELATING TO TAXATION; ENACTING A NEW SECTION OF THE INCOME TAX ACT TO PROVIDE A CREDIT FOR FAMILIES CARING FOR CHILDREN AT HOME.

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 CHILD CARE AT HOME. --

A. Any resident who files an individual New Mexico income tax return and who is not a dependent of another taxpayer may claim a credit of three hundred fifty dollars (\$350) for caring for one or more dependents at home during the taxable year if:

(1) the resident, or if a joint return is filed, one spouse, is not gainfully employed for any period of

1 the taxable year for which the credit is claimed; and

2 (2) the resident, or if a joint return is  
3 filed, the spouse that is not gainfully employed, cares full  
4 time for one or more qualifying dependents in the home for all  
5 of the taxable year.

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

9 C. A husband and wife maintaining a household for  
10 one or more qualifying dependents and filing separate returns  
11 for a taxable year for which they could have filed a joint  
12 return may each claim only one-half of the credit that would  
13 have been claimed on a joint return.

14 D. As used in this section:

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

17 (2) "gainfully employed" means working for  
18 remuneration for others, either full time or part time, or  
19 self-employment in a business, partnership or other legal  
20 entity; and

21 (3) "qualifying dependent" means a dependent  
22 who is twelve years of age or younger at the end of the  
23 taxable year. "

24 Section 2. APPLICABILITY. -- The provisions of this act  
25 apply to taxable years beginning on or after January 1, 2002.