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HOUSE BILL 491

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Irvin Harrison

AN ACT

RELATING TO TAXATION; CREATING A TAX CREDIT FOR BUSINESSES IN  
THE HOSPITALITY INDUSTRY WHEN EMPLOYERS FUND TRAINING FOR  
EMPLOYEES.

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

Section 1. SHORT TITLE.--This act may be cited as the  
"Hospitality Training Tax Credit Act".

Section 2. DEFINITIONS.--As used in the Hospitality  
Training Tax Credit Act:

A. "department" means the taxation and revenue  
department;

B. "employee" means a person employed by one  
employer in a hospitality business for more than twenty hours  
per week as a retail manager or in a nonmanagement position;

C. "employer" means a person engaged in a

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1 hospitality business;

2 D. "hospitality business" means a retail business  
3 or nonprofit organization that employs people to interact with  
4 tourists;

5 E. "hospitality training" means a program approved  
6 by the tourism department providing customer service skills  
7 training to employees who work with tourists; and

8 F. "taxpayer" means an employer:

9 (1) who is liable for payment of a tax;

10 (2) who is responsible for withholding and  
11 payment over or collection and payment over of a tax; or

12 (3) to whom an assessment has been made, if  
13 the assessment remains unabated or the amount of the assessment  
14 has not been paid.

15 Section 3. HOSPITALITY TRAINING TAX CREDIT--AMOUNT--  
16 CLAIMANT.--

17 A. A taxpayer may claim a hospitality training tax  
18 credit in an amount equal to the cost of hospitality training  
19 paid for by the taxpayer and attended by employees of that  
20 taxpayer. The amount of the tax credit claimed may not exceed  
21 ten thousand dollars (\$10,000) per year per taxpayer.

22 B. The hospitality training tax credit may be  
23 claimed against a taxpayer's liability for gross receipts tax  
24 or personal or corporate income tax.

25 C. The hospitality training tax credit claim shall

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1 be submitted on a form provided by the department. The  
2 taxpayer shall submit the hospitality training tax credit claim  
3 at the time that the taxpayer submits a return for payment of  
4 the tax against which the claim is made.

5 D. The hospitality training tax credit may be  
6 claimed only against taxes owed in the tax year in which the  
7 hospitality training was provided.

8 Section 4. HOSPITALITY TRAINING PROGRAMS. --

9 A. Prior to December 1, 2004, the tourism  
10 department shall adopt and publish rules setting forth the  
11 standards to be met by a hospitality training program to  
12 provide hospitality training pursuant to the Hospitality  
13 Training Tax Credit Act.

14 B. A hospitality training tax credit pursuant to  
15 the provisions of the Hospitality Training Tax Credit Act may  
16 be issued only for expenditures for training at a hospitality  
17 training program approved by the tourism department.

18 Section 5. ADMINISTRATION. --The department shall  
19 administer the Hospitality Training Tax Credit Act.

20 Section 6. APPLICABILITY. --The provisions of this act  
21 apply to the 2005 and subsequent personal or corporate income  
22 tax years.

23 Section 7. EFFECTIVE DATE. --The effective date of the  
24 provisions of this act is January 1, 2005.