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SENATE BILL 448

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

INTRODUCED BY  
Cisco McSorley

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT FOR  
EMPLOYERS FOR A PORTION OF THE COST OF PROVIDING PAID FAMILY  
MEDICAL LEAVE.

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--EMPLOYEE FAMILY MEDICAL LEAVE PAID  
BY EMPLOYER.--

A. A taxpayer who is an employer and who files an  
individual New Mexico income tax return may claim a credit in  
an amount equal to twenty-five percent of the amount paid by  
the taxpayer in a taxable year for the salary or wage costs  
incurred in providing paid family medical leave to an employee.

B. A husband and wife who file separate returns for

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1 a taxable year in which they could have filed a joint return  
2 may each claim only one-half of the credit that would have been  
3 allowed on a joint return.

4 C. A taxpayer who otherwise qualifies and claims a  
5 credit pursuant to Subsection A of this section and who is a  
6 member of a partnership or business association that is the  
7 employer incurring the family medical leave cost may claim a  
8 credit only in proportion to the taxpayer's interest in the  
9 partnership or association. The total credit claimed by all  
10 members of the partnership or association shall not exceed  
11 twenty-five percent of the family medical leave cost paid by  
12 the partnership or association in the taxable year.

13 D. The credit provided in this section may only be  
14 deducted from the taxpayer's income tax liability for the  
15 taxable year for which the credit is claimed.

16 E. For the purposes of this section, "family  
17 medical leave" means leave taken by an employee in connection  
18 with:

19 (1) the birth or adoption of a child of the  
20 employee; or

21 (2) the care of a child, spouse or parent of  
22 the employee who has a health condition that:

23 (a) necessitates inpatient care in a  
24 hospital, hospice or residential health care facility; or

25 (b) requires continuing treatment or

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1 continuing supervision by a health care provider."

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

4 "[NEW MATERIAL] CREDIT--EMPLOYEE FAMILY MEDICAL LEAVE PAID  
5 BY EMPLOYER.--

6 A. A taxpayer that is an employer and that files a  
7 corporate income tax return may claim a credit in an amount  
8 equal to twenty-five percent of the amount paid by the taxpayer  
9 in a taxable year for the salary or wage costs incurred in  
10 providing paid family medical leave to an employee.

11 B. A taxpayer that otherwise qualifies and claims a  
12 credit pursuant to Subsection A of this section and that is a  
13 member of a partnership or business association that is the  
14 employer incurring the family medical leave cost may claim a  
15 credit only in proportion to the taxpayer's interest in the  
16 partnership or association. The total credit claimed by all  
17 members of the partnership or association shall not exceed  
18 twenty-five percent of the family medical leave cost paid by  
19 the partnership or association in the taxable year.

20 C. The credit provided in this section may only be  
21 deducted from the taxpayer's corporate income tax liability for  
22 the taxable year for which the credit is claimed.

23 D. For the purposes of this section, "family  
24 medical leave" means leave taken by an employee in connection  
25 with:

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(1) the birth or adoption of a child of the employee; or

(2) the care of a child, spouse or parent of the employee who has a health condition that:

(a) necessitates inpatient care in a hospital, hospice or residential health care facility; or

(b) requires continuing treatment or continuing supervision by a health care provider."

Section 3. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2005.