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SENATE BILL 117

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

H. Diane Snyder

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX CREDIT FOR HOME CARE FOR AN ILL OR DISABLED FAMILY MEMBER OVER THE AGE OF SIXTY-FIVE.

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]~~ INCOME TAX--CREDIT--HOME CARE EXPENDITURES.--

A. A New Mexico resident who files an individual New Mexico income tax return may claim, and the department may allow, a tax credit for expenditures by the taxpayer for home care in New Mexico of an ill or disabled person over the age of sixty-five who is a family member of the taxpayer. The tax credit provided by this section shall not exceed fifty percent

underscoring material = new  
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1 of the actual home care expenditures of the taxpayer during the  
2 taxable year for which the return is filed that are not  
3 reimbursed or compensated for by insurance or otherwise.

4 B. The credit provided pursuant to this section may  
5 be deducted from the taxpayer's New Mexico income tax liability  
6 for the taxable year. If the credit exceeds the taxpayer's  
7 income tax liability for the taxable year, the excess shall be  
8 refunded to the taxpayer.

9 C. A husband and wife who file separate returns for  
10 a taxable year in which they could have filed a joint return  
11 may each claim only one-half of the credit provided under this  
12 section that would have been allowed on a joint return.

13 D. The credit provided pursuant to this section  
14 shall not be allowed for a home care expenditure for which a  
15 deduction or credit is claimed pursuant to the Internal Revenue  
16 Code or another provision of the Income Tax Act.

17 E. As used in this section:

18 (1) "family member of the taxpayer" means the  
19 taxpayer's spouse, parent, stepparent, father-in-law, mother-  
20 in-law, grandparent, child, stepchild, brother, sister,  
21 stepbrother, stepsister, half-brother, half-sister, uncle,  
22 aunt, nephew or niece, whether related by natural birth or  
23 adoption;

24 (2) "home care" means care provided to a  
25 person in the home of that person or in the home of the

underscoring material = new  
~~[bracketed material] = delete~~

1 taxpayer; and

2 (3) "home care expenditure" means a direct  
3 expenditure for the provision of home care to an ill or  
4 disabled person over the age of sixty-five who is a family  
5 member of the taxpayer and includes an expenditure for:

6 (a) costs incurred in providing food,  
7 clothing and medical care to the person; and

8 (b) extra rent or utilities paid as the  
9 result of providing space for the person."

10 Section 2. APPLICABILITY.--The provisions of this act  
11 apply to taxable years beginning on or after January 1, 2008.