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HOUSE BILL 476

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Alonzo Baldonado

AN ACT

RELATING TO TAXATION; INCREASING THE AMOUNT OF THE SPECIAL
NEEDS ADOPTED CHILD TAX CREDIT.

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

SECTION 1. Section 7-2-18.16 NMSA 1978 (being Laws 2007,
Chapter 45, Section 10) is amended to read:

"7-2-18.16. CREDIT--SPECIAL NEEDS ADOPTED CHILD TAX
CREDIT--CREATED--QUALIFICATIONS--DURATION OF CREDIT.--

A. A taxpayer who files an individual New Mexico
income tax return, who is not a dependent of another individual
and who adopts a special needs child on or after January 1,
2007 or has adopted a special needs child prior to January 1,
2007, may claim a credit against the taxpayer's tax liability
imposed pursuant to the Income Tax Act. The credit authorized
pursuant to this section may be referred to as the "special

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1 needs adopted child tax credit".

2 B. A taxpayer may claim and the department may
3 allow a special needs adopted child tax credit in the amount of
4 [~~one thousand dollars (\$1,000)~~] one thousand five hundred
5 dollars (\$1,500) to be claimed against the taxpayer's tax
6 liability for the taxable year imposed pursuant to the Income
7 Tax Act.

8 C. A taxpayer may claim a special needs adopted
9 child tax credit for each year that the child may be claimed as
10 a dependent for federal taxation purposes by the taxpayer.

11 D. If the amount of the special needs adopted child
12 tax credit due to the taxpayer exceeds the taxpayer's
13 individual income tax liability, the excess shall be refunded.

14 E. [~~A husband and wife~~] Married individuals who
15 file separate returns for a taxable year in which they could
16 have filed a joint return may each claim only one-half of the
17 special needs adopted child tax credit provided in this section
18 that would have been allowed on a joint return.

19 F. A taxpayer allowed a tax credit pursuant to this
20 section shall report the amount of the tax credit to the
21 department in a manner required by the department.

22 G. The department shall compile an annual report on
23 the special needs adopted child tax credit that shall include
24 the number of taxpayers approved by the department to receive
25 the tax credit, the aggregate amount of tax credits approved

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1 and any other information necessary to evaluate the
2 effectiveness of the tax credit. Beginning in 2016, and each
3 year thereafter that the tax credit is in effect, the
4 department shall compile and present the annual reports to the
5 revenue stabilization and tax policy committee and the
6 legislative finance committee with an analysis of the cost and
7 benefit to the state of the tax credit.

8 [F-] H. As used in this section, "special needs
9 adopted child" means an individual who may be over eighteen
10 years of age and who is certified by the children, youth and
11 families department or a licensed child placement agency as
12 meeting the definition of a "difficult to place child" pursuant
13 to the Adoption Act; provided, however, if the classification
14 as a "difficult to place child" is based on a physical or
15 mental impairment or an emotional disturbance, the physical or
16 mental impairment or emotional disturbance shall be at least
17 moderately disabling."

18 **SECTION 2. APPLICABILITY.**--The provisions of this act
19 apply to taxable years beginning on or after January 1, 2015.