

LFC Requester:	
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date Prepared: 2025-01-31
Bill No: HB225

Sponsor(s) Alan T. Martinez
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Agency Name CYFD 69000
and Code
Number:
Person Writing Kathleen Hardy
Analysis:

Short FOSTER PARENT TAX
Title: CREDIT

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
0	0		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
0	0	0		

0	0	0		
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ESTIMATED ADDITIONAL OPERATION BUDGET (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	1,688.6	1,688.6	3,377.2	Recurring	General Fund

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

This bill proposes giving a tax credit to foster parents licensed or certified by the Children, Youth and Families Department (CYFD) or a child placement agency in an amount equal to one hundred dollars for each week and for each child the taxpayer fosters in the taxable year in which the tax credit is claimed.

CYFD will issue a dated certificate of eligibility to taxpayers that apply for this tax credit from CYFD if the department determines that the applicant meets the requirements detailed in this bill. The bill details that the credit shall be claimed within three taxable years of the end of the year in which CYFD certifies the credit.

FISCAL IMPLICATIONS

CYFD Information Technology Division would need 5 additional positions and funding estimated at \$938.6 thousand to develop a template that is based upon Internal Revenue Service (IRS) and State of New Mexico Taxation and Revenue Department (TRD) requirements. CYFD, in compliance with IRS Regulations, will need to keep copies of said records for the IRS determined retention period.

This would require the planning, design, and architecture an in environment that would comply with FISMA/NIST 800-53 and IRS Publication 1075. The environment would need to be able to grow annually due new and existing Foster Parents being added or deleted. CYFD will also need to determine if an interface with SHARE is required for any potential fiscal reporting and transactions. Additional costs associated with the implementation and maintenance of software is \$750.0 thousand per year.

SIGNIFICANT ISSUES

This bill potentially may help with retention and recruitment of foster care families.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

CYFD will need to develop procedures to establish criteria for eligible taxpayers and a process to electronically issue the certification in a timely manner. Department will also need to identify which service area will be tasked with the duties identified for CYFD in this bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None.