

1 HOUSE BILL 225
2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY
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10 AN ACT
11 RELATING TO TAXATION; CREATING THE FOSTER PARENT INCOME TAX
12 CREDIT.
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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. A new section of the Income Tax Act is enacted
16 to read:

17 "[NEW MATERIAL] CREDIT--FOSTER PARENT INCOME TAX CREDIT.--

18 A. A taxpayer who is a resident, who is not a
19 dependent of another individual and who is a foster parent may
20 claim a credit against the taxpayer's tax liability imposed
21 pursuant to the Income Tax Act. The credit authorized pursuant
22 to this section may be referred to as the "foster parent income
23 tax credit".

24 B. The amount of the tax credit shall be in an
25 amount equal to one hundred dollars (\$100) for each week and

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underscored material = new
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1 for each child the taxpayer fosters in the taxable year in
2 which the tax credit is claimed.

3 C. A taxpayer shall apply for certification of
4 eligibility for the tax credit from the children, youth and
5 families department on forms and in the manner prescribed by
6 that department. Except as provided in Subsection E of this
7 section, only one tax credit shall be certified per taxpayer
8 per taxable year. If the children, youth and families
9 department determines that the taxpayer meets the requirements
10 of this section, that department shall issue a dated
11 certificate of eligibility to the taxpayer providing the amount
12 of tax credit for which the taxpayer is eligible and the
13 taxable years in which the credit may be claimed. The
14 children, youth and families department shall provide the
15 department with the certificates of eligibility issued pursuant
16 to this subsection in an electronic format at regularly agreed
17 upon intervals.

18 D. That portion of the tax credit that exceeds a
19 taxpayer's income tax liability in the taxable year in which
20 the credit is claimed shall be refunded to the taxpayer.

21 E. Married individuals filing separate returns for
22 a taxable year for which they could have filed a joint return
23 may each claim only one-half of the tax credit that would have
24 been claimed on a joint return.

25 F. A taxpayer allowed to claim a tax credit

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underscoring material = new
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1 pursuant to this section shall claim the tax credit in a manner
2 required by the department. The credit shall be claimed within
3 three taxable years of the end of the year in which the
4 children, youth and families department certifies the credit.

5 G. The credit provided by this section shall be
6 included in the tax expenditure budget pursuant to Section
7 7-1-84 NMSA 1978, including the total annual aggregate cost of
8 the credit.

9 H. As used in this section, "foster parent" means a
10 person licensed or certified by the children, youth and
11 families department or a child placement agency to provide care
12 for children in the custody of the department or agency."

13 SECTION 2. APPLICABILITY.--The provisions of this act
14 apply to taxable years beginning on or after January 1, 2025.