

HOUSE BILL 212

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

Rebecca Dow

AN ACT

RELATING TO TAXATION; CREATING THE FAMILY-FRIENDLY WORKPLACE
TAX CREDIT IN THE INCOME TAX ACT AND THE CORPORATE INCOME TAX
ACT.

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] FAMILY-FRIENDLY WORKPLACE INCOME TAX
CREDIT.--

A. For taxable years beginning on or after January
1, 2018 and ending on or before December 31, 2027, a taxpayer
who is not a dependent of another taxpayer, who has fifty or
fewer permanent full-time or permanent part-time employees in
New Mexico, who, during the taxable year, has received the
highest level of recognition by a New Mexico statewide project

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1 developed to recognize companies that have adopted policies,
2 including those concerning paid leave, health support, work
3 schedules and economic support, considered family-friendly and
4 who meets the requirements of this section may claim a credit
5 in the amount of one thousand dollars (\$1,000) per permanent
6 full-time employee employed by the employer for at least
7 twenty-six weeks and five hundred dollars (\$500) per permanent
8 part-time employee employed by the employer for at least
9 twenty-six weeks against the taxpayer's tax liability imposed
10 by the Income Tax Act. The credit provided by this section may
11 be referred to as the "family-friendly workplace income tax
12 credit".

13 B. The purpose of the family-friendly workplace
14 income tax credit is to promote the adoption among employers of
15 policies, including those concerning paid leave, health
16 support, work schedules and economic support, considered
17 family-friendly.

18 C. A taxpayer shall claim the family-friendly
19 workplace income tax credit on forms and in the manner
20 prescribed by the department.

21 D. That portion of a family-friendly workplace
22 income tax credit that exceeds a taxpayer's tax liability in
23 the taxable year in which the credit is claimed shall not be
24 refunded or transferred but may be carried forward for a
25 maximum of five consecutive taxable years.

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1 E. Married individuals filing separate returns for
2 a taxable year for which they could have filed a joint return
3 may each claim no more than one-half of the family-friendly
4 workplace income tax credit that could have been claimed on a
5 joint return.

6 F. A taxpayer who is an owner or a co-owner of a
7 business entity that is treated as a pass-through entity for
8 federal income tax purposes, including a partner in a
9 partnership, a member of a limited liability company and a
10 shareholder of an S corporation as defined in Section 1361 of
11 the Internal Revenue Code, may claim the family-friendly
12 workplace income tax credit in proportion to the taxpayer's
13 ownership interest in the business entity if:

14 (1) the business entity has or the business
15 entity and one or more other business entities in which the
16 taxpayer owns an interest have met all of the requirements to
17 be eligible for the credit; and

18 (2) the total credit amount claimed by all
19 owners of the business entity or business entities does not
20 exceed the amount allowed by Subsection A of this section.

21 G. A taxpayer allowed a family-friendly workplace
22 income tax credit shall report the amount of the credit to the
23 department in a manner required by the department.

24 H. The department shall compile an annual report on
25 the family-friendly workplace income tax credit that includes

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1 the number of taxpayers approved by the department to receive
2 the credit, the aggregate amount of credits claimed and any
3 other information necessary to evaluate the effectiveness of
4 the credit. The department shall present the report to the
5 revenue stabilization and tax policy committee, the legislative
6 finance committee and the legislative health and human services
7 committee with an analysis of the effectiveness and cost of the
8 credit and whether the credit is performing the purpose for
9 which it was created."

10 SECTION 2. A new section of the Corporate Income and
11 Franchise Tax Act is enacted to read:

12 "[NEW MATERIAL] FAMILY-FRIENDLY WORKPLACE CORPORATE INCOME
13 TAX CREDIT.--

14 A. For taxable years beginning on or after January
15 1, 2018 and ending on or before December 31, 2027, a taxpayer
16 that is not a dependent of another taxpayer, that has fifty or
17 fewer permanent full-time or permanent part-time employees in
18 New Mexico, that, during the taxable year, has received the
19 highest level of recognition by a New Mexico statewide project
20 developed to recognize companies that have adopted policies,
21 including those concerning paid leave, health support, work
22 schedules and economic support, considered family-friendly and
23 that meets the requirements of this section may claim a credit
24 in the amount of one thousand dollars (\$1,000) per permanent
25 full-time employee employed by the employer for at least

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1 twenty-six weeks and five hundred dollars (\$500) per permanent
2 part-time employee employed by the employer for at least
3 twenty-six weeks against the taxpayer's tax liability imposed
4 by the Corporate Income Tax Act. The credit provided by this
5 section may be referred to as the "family-friendly workplace
6 corporate income tax credit".

7 B. The purpose of the family-friendly workplace
8 corporate income tax credit is to promote the adoption among
9 employers of policies, including those concerning paid leave,
10 health support, work schedules and economic support, considered
11 family-friendly.

12 C. A taxpayer shall claim the family-friendly
13 workplace corporate income tax credit on forms and in the
14 manner prescribed by the department.

15 D. That portion of a family-friendly workplace
16 corporate income tax credit that exceeds a taxpayer's tax
17 liability in the taxable year in which the credit is claimed
18 shall not be refunded or transferred but may be carried forward
19 for a maximum of five consecutive taxable years.

20 E. A taxpayer allowed a family-friendly workplace
21 corporate income tax credit shall report the amount of the
22 credit to the department in a manner required by the
23 department.

24 F. The department shall compile an annual report on
25 the family-friendly workplace corporate income tax credit that

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1 includes the number of taxpayers approved by the department to
2 receive the credit, the aggregate amount of credits claimed and
3 any other information necessary to evaluate the effectiveness
4 of the credit. The department shall present the report to the
5 revenue stabilization and tax policy committee, the legislative
6 finance committee and the legislative health and human services
7 committee with an analysis of the effectiveness and cost of the
8 credit and whether the credit is performing the purpose for
9 which it was created."

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