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SENATE BILL 175

**55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

INTRODUCED BY

David M. Gallegos

AN ACT

RELATING TO TAXATION; PROVIDING A TAX CREDIT FOR CERTAIN RURAL  
TEACHERS.

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] RURAL TEACHERS TAX CREDIT.--

A. A taxpayer who files an individual New Mexico  
tax return, who is not a dependent of another individual and  
who is an eligible rural teacher may claim a credit against the  
tax liability imposed by the Income Tax Act. The credit  
provided in this section may be referred to as the "rural  
teachers tax credit".

B. The rural teachers tax credit may be claimed and  
allowed in an amount that shall not exceed one thousand five

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1 hundred dollars (\$1,500) for each eligible New Mexico licensed  
2 teacher.

3 C. To qualify for the rural teachers tax credit, an  
4 eligible teacher shall have taught as a full-time teacher in a  
5 rural school district pursuant to at least a standard nine and  
6 one-half month contract for a school year that ends in the  
7 taxable year.

8 D. Before an eligible rural teacher may claim the  
9 rural teachers tax credit, the teacher shall submit an  
10 application on a form provided by the public education  
11 department that includes the teacher's employment contract and  
12 any additional information the public education department may  
13 require. The public education department shall determine  
14 whether a teacher qualifies for the rural teachers tax credit  
15 and shall issue a certificate to each qualifying eligible  
16 teacher. The public education department shall provide the  
17 taxation and revenue department appropriate information for all  
18 eligible rural teachers to whom certificates are issued.

19 E. A taxpayer claiming the credit provided by this  
20 section shall submit a copy of the certificate issued by the  
21 public education department with the taxpayer's New Mexico  
22 income tax return for the taxable year. If the amount of the  
23 credit claimed exceeds a taxpayer's tax liability for the  
24 taxable year in which the credit is being claimed, the excess  
25 may be carried forward for three consecutive taxable years.

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1           F. Married individuals filing separate returns for  
2 a taxable year for which they could have filed a joint return  
3 may each claim only one-half of the rural teachers tax credit  
4 that would have been claimed on a joint return.

5           G. The department shall compile an annual report on  
6 the rural teachers tax credit that includes the number of  
7 taxpayers approved by the department to receive the credit, the  
8 aggregate amount of credits approved and any other information  
9 necessary to evaluate the credit. The department shall present  
10 the report to the revenue stabilization and tax policy  
11 committee and the legislative finance committee with an  
12 analysis of the efficacy of the tax credit.

13           H. As used in this section:

14                   (1) "eligible rural teacher" means a teacher  
15 who holds a level one, level two or level three-A license and  
16 whose primary job is classroom instruction or the supervision,  
17 below the school principal level, of an instructional program  
18 or whose duties include curriculum development, peer  
19 intervention, peer coaching or mentoring or serving as a  
20 resource teacher for other teachers and who teaches in a rural  
21 school district; and

22                   (2) "rural school district" means:

23                           (a) a school district that has no more  
24 than four public schools to serve kindergarten through twelfth  
25 grades;

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1 (b) a school district that is located  
2 along the border with another state and can demonstrate to the  
3 public education department that it is losing public school  
4 teachers to school districts in that bordering state;

5 (c) a school district that is more than  
6 thirty-five road miles from an urban cluster or urbanized area  
7 as those terms are used in the most recent federal decennial  
8 census; or

9 (d) a public school of a geographically  
10 large school district whose central administration is located  
11 in an urban cluster or urbanized area but the public school is  
12 located more than thirty-five road miles from the school  
13 district's central administration building and the public  
14 school has a chronic critical teacher shortage."

15 SECTION 2. APPLICABILITY.--The provisions of this act  
16 apply to taxable years beginning on or after January 1, 2021.