

# NEW MEXICO UNIVERSAL CHARITABLE CREDIT

1 HOUSE BILL \_\_\_\_\_

2 53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO TAXATION; CREATING THE UNIVERSAL CHARITABLE CREDIT  
12 IN THE INCOME TAX ACT.

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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 to read:

16 "[NEW MATERIAL] UNIVERSAL CHARITABLE CREDIT.--

17 A. For taxable years beginning on or after January 1, 2019, a  
18 taxpayer who is not a dependent of another taxpayer, is allowed a credit  
19 against the income tax imposed by the Income Tax Act which is the lesser of  
20 five hundred dollars (\$500.00) for a taxpayer filing single or married filing  
21 separately, or one thousand dollars (\$1,000.00) for taxpayers filing jointly, or  
22 the actual income tax due, for cash contributions to qualified charitable  
23 organizations, during the same taxable year for which the credit is claimed.

24 B. The purpose of the universal charitable credit is to permit

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1 taxpayers to direct a portion of their state income tax liability to qualified  
2 charitable organizations.

3 C. That portion of a universal charitable credit that exceeds a  
4 taxpayer's tax liability in the taxable year in which the credit is claimed shall  
5 not be refunded, transferred, or carried forward.

6 D. For the purposes of this section:

7 (1) "qualified charitable organizations" means  
8 charitable organizations that are:

9 (a) exempt from federal income taxation under  
10 [section 501\(c\)\(3\) of the Internal Revenue Code](#),

11 (b) incorporated in the State of New Mexico, in  
12 good standing with the New Mexico Taxation and Revenue Department, and

13 (c) not under suspension per section [501\(p\) of](#)  
14 [the Internal Revenue Code](#) or revocation per the [Internal Revenue Bulletin](#),  
15 at the time of the contribution.

16 (2) "deduction" means a reduction in taxable income  
17 pursuant to [Section 170 of the Internal Revenue Code](#) and taken for state  
18 purposes.

19 (3) "department" means New Mexico Taxation and  
20 Revenue Department.

21 E. A deduction shall not be allowed for amounts taken under  
22 this credit.

23 F. Taxpayers taking this credit shall provide the names of the  
24 qualified charitable organizations, and the dates and amounts of the  
25 contributions to the department on forms provided by the department.

26 G. Taxpayers choosing to make voluntary cash contributions  
27 through umbrella charitable organizations that collect donations on behalf

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1 of member charities shall designate that the donations be directed only to  
2 member charitable organizations that would qualify for this credit on a  
3 stand-alone basis.

4 **H.** The department shall:

5 (1) compile and make available to the public an online  
6 list of qualified charitable organizations, and

7 (2) develop forms necessary to apply for this credit to  
8 include:

9 (a) the name and taxpayer identification  
10 number of the taxpayer,

11 (b) the names of the qualified charitable  
12 organizations,

13 (c) the dates and amounts of the cash  
14 contributions claimed as a credit,

15 (d) a section where the taxpayer may cite a  
16 reason for taking the credit, and

17 (e) any other information that the department  
18 requires.”