

HOUSE BILL 81

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO TAXATION; CREATING THE GUN STORAGE INCOME TAX
CREDIT.

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] GUN STORAGE INCOME TAX CREDIT.--

A. For taxable years prior to January 1, 2027, a
taxpayer who is not a dependent of another individual and who,

.226596.4AIC January 29, 2024 (1:29pm)

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on or after July 1, 2024, purchases a secure gun storage may apply for, and the department may allow, a one-time credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act in an amount equal to the price paid for a secure gun storage, not to exceed seven hundred fifty dollars (\$750). The department shall allow a credit only for a secure gun storage certified pursuant to Subsection B of this section. The tax credit provided by this section may be referred to as the "gun storage income tax credit".

B. A taxpayer shall apply for certification of eligibility for a credit from the department of public safety on forms and in the manner prescribed by that department. The aggregate amount of credits that may be certified as eligible in any calendar year is five hundred thousand dollars (\$500,000). Completed applications shall be considered in the order received. Applications for certification received after this limitation has been met in a calendar year shall not be approved. The application shall include proof of purchase HCEDC→, ←HCEDC HCEDC→and←HCEDC that the secure gun storage meets technical specifications and requirements relating to safety and standards compliance HCEDC→and any additional information that the department of public safety may require to determine eligibility for the credit←HCEDC . A dated certificate of eligibility shall be issued to the taxpayer providing the amount of credit for which the taxpayer is

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eligible and the taxable year in which the credit may be claimed. HCEDC→The department of public safety may promulgate rules governing the procedure for administering the provisions of this subsection.←HCEDC

C. A taxpayer may claim a credit provided by this section for the taxable year in which the taxpayer purchases a secure gun storage. To receive the credit, the taxpayer shall apply to the department on forms and in the manner prescribed by the department within twelve months following the calendar year in which the secure gun storage was purchased. The application shall include a certification made pursuant to Subsection B of this section.

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

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

F. A taxpayer may be allocated the right to claim a credit in proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and that business entity has met all of the requirements to be eligible for the credit. The total

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credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit pursuant to this section.

G. A taxpayer allowed a credit pursuant to this section shall report the amount of the credit to the department in a manner required by the department.

H. The department shall compile an annual report on the credit that shall include the number of taxpayers approved by the department to receive the credit, the aggregate amount of credits approved and any other information necessary to evaluate the credit. The department shall present the report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the cost of the tax credit.

I. As used in this section:

(1) "firearm" means a weapon that will or is designed to or may readily be converted to expel a projectile by the action of an explosive; and

(2) "secure gun storage" means a new safe, gun safe, gun case, lock box or other device that is designed to be or can be used to store a firearm and that is designed to be unlocked only by means of a key, a combination or other similar means."

SECTION 2. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2024.

.226596.4AIC January 29, 2024 (1:29pm)