

PROGRAM: New Mexico Child Care Corporate Tax Credit **General Incentive**

AGENCY: Taxation and Revenue Department

DESCRIPTION: This provides a tax credit on a percentage of eligible expenses for child care services incurred and paid by the taxpayer in the taxable year for dependent children of their employees may claim a tax credit against the corporate income tax.

ELIGIBLE USES:

- A child care facility used primarily by the dependent children of the taxpayer's employees.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: Offers a tax credit of up to 30% of eligible expenses, net of reimbursements or \$30,000 in any taxable year per year. Unused credits can be carried forward for three consecutive years; excesses of these limits can be deducted from the next year's limits for up to three years.

QUALIFICATION CRITERIA/COMMENTS:

- Dependent children are under 12 years of age.
- Any receipts of a corporation from an employee for the use of the child care facility are considered a reduction of the allowable expenses for computing the child care credit.
- The credit allowed may only be taken if the facility is operated under the authority of a license issued pursuant to the Public Health Act and is operated without profit by the taxpayer. **See 7-2A-14 NMSA**
- Visit the Taxation and Revenue Department homepage at <http://www.state.nm.us/tax/home.htm> or find paperwork and applications at <http://www.state.nm.us/tax/BizPge.htm>.
- Call the office of the Secretary at (505)827-0341.