

CIT-3 NEW MEXICO TAXATION AND REVENUE DEPARTMENT

CORPORATE CHILD CARE CREDIT

Name of corporation (claimant)		FEIN	New Mexico CRS I.D. No.
Name of New Mexico child care facility		Address of New Mexico child care facility	

Section I. Qualifications for corporations operating an eligible child care facility for its employees

You must be able to answer yes to all of the following questions, or the child care facility is not eligible. If two or more corporations share the cost of operating a child care facility that is primarily used for the care of dependents of employees of the corporations, during the employee's hours of employment, answer yes to questions 1 and 2, and complete Schedule A. Each corporation shall be allowed a credit in relation to the corporation's share of the cost of operating the child care facility.

- Is the child care facility in New Mexico and used primarily by the dependent children of the corporation's employees?
 YES NO
- Are the children primarily being cared for during the corporation's employee's hours of employment?
 YES NO
- Is the child care facility operated under authority of a license pursuant to the Public Health Act (Sections 24-1-1 to 24-1-5; 24-1-6 to 24-1-21 NMSA 1978)?
 YES NO
- Is the child care facility operated on a non-profit basis by the corporation(s)?
 YES NO

Section II. Calculating the credit for corporations operating a child care facility for its employees

- Corporation's net operating cost 5. \$ _____
("Net operating cost" means the claimant's share of the cost of operating the eligible child care facility less any amounts collected as fees for use of the facility, any federal tax credits with respect to the facility or its operation and any other payment or reimbursement from any other source that the claimant received, but not the amount of corporate-supported child care credit allowed.)
- Total number of children served by the child care facility including children of non-employees _____
- Divide line 5 by line 6; enter the result here 7. \$ _____
- Number of the corporation's employee's dependents served _____
- Multiply line 7 by line 8. This is taxpayer's share of the net operating cost..... 9. \$ _____
- Multiply line 9 by 30%. Enter the result or \$30,000, whichever is less.
This is the amount of child care credit allowed for the current year 10. \$ _____

Section III. Calculating the credit for corporations paying for child care services for its employees

- Enter the total expenses, net of any reimbursements, or receipts from employees for child care services incurred and paid by the corporation..... 11. \$ _____
- Multiply line 11 by 30%. Enter the result or \$30,000, whichever is less.
This is the amount of child care credit allowed for the current year 12. \$ _____

Section IV. All corporations claiming the credit must complete lines 13 through 15

- Child care credit carryforward from prior years, from Schedule B 13. \$ _____
- Credit available to the claimant in the current year (Add lines 10, 12 and 13)..... 14. \$ _____
- Credit applied to the current year return. The total credit applied may not exceed \$30,000 or the amount of New Mexico income tax (line 12, Form CIT-1 or line 4, Form S-Corp) 15. \$ _____

Unused credits may be carried forward for three consecutive years from the tax year in which the expenses were incurred.

NOTE: Failure to attach this form to your New Mexico corporate income tax return will result in denial of the credit.

New Mexico Taxation and Revenue Department
CIT-3 - Corporate-Supported Child Care Credit Claim Form

Schedule A - Other corporations sharing the cost of operating an eligible child care facility

If two or more corporations share the cost of operating a child care facility in New Mexico that is primarily used for the care of dependents of employees of the corporations, during the employee's hours of employment, complete and attach Schedule A, which identifies the other corporations sharing the cost of operating the child care facility. Each corporation shall be allowed a credit in relation to the corporation's share of the cost of operating the child care facility.

	<u>Name</u>	<u>CRS-ID</u>	<u>FEIN</u>	<u>Share of net operating cost</u>
a.	_____	_____	_____	_____
b.	_____	_____	_____	_____
c.	_____	_____	_____	_____
d.	_____	_____	_____	_____

Schedule B - Calculate available credit from carryforwards

To complete line 13 of the Form CIT-3, *Corporate-Supported Child Care Credit Claim Form*, attach a completed Schedule B to compute unused credits for carryforward amounts from prior tax year claims.

(a) Tax year of previous claim. For each credit claimed in a previous tax year where there was an unused credit amount available for carryforward, enter that tax year in which the credit was first claimed. Enter the last day of the tax year using the format mm/dd/yyyy. For example, if the credit was claimed in the 2012 calendar year, enter 12/31/2012. For a fiscal-year and short-year return ending on July 30, 2012, enter 07/30/2012. Do not make an entry for any credit claimed in a previous tax year if the unused credit is no longer available for carryforward. Excess corporate-supported child care credit may only be carried forward for three years following the tax year in which the expenditures were incurred.

(b) Available credit. For each year listed in column (a), enter the amount of credit available, based on the expenditures that were incurred for that tax year, from Form CIT-3 submitted in that tax year.

(c) Total credit taken in previous tax years. For each credit amount listed in column (b), enter the total amount of credit applied to corporate income tax liabilities on the respective tax year return, including any carryforward credit amounts from previous years that were applied.

(d) Unused credit available for carryforward from prior claims. Subtract column (c) from column (b) and enter the difference.

Total unused credit available for carryforward. Enter the sum of all amounts in column (d). Also enter this amount on line 13 of Form CIT-3.

In any year for which you apply the child care credit to your corporate income tax liability, you must first apply approved credit amounts calculated based on the current year expenditures, If the approved credit amount in the current tax year is less than the corporate income tax liability for that year, you may then apply unused credit amounts available for carryforward, always apply the oldest credit first.

(a) Tax year of previous claim	(b) Available credit	(c) Total credit taken in previous tax years	(d) Unused credit for carryforward from prior claims [(b) - (c)]
Total unused credit available for carryforward. Enter the sum of all amounts in column (d). Also enter this amount on line 13 of Form CIT-3.			

New Mexico Taxation and Revenue Department
CIT-3 - Corporate-Supported Child Care Credit Claim Form
Instructions

ABOUT THIS CREDIT

For corporations paying for its employee's child care services in New Mexico

A taxpayer that pays for child care services in New Mexico for dependent children of an employee of the taxpayer during the employee's hours of employment may claim a credit against the corporate income tax imposed pursuant to the Corporate Income and Franchise Tax Act. The amount of the credit is equal to 30% of the total expenses, net of any reimbursements, for child care services incurred and paid by the taxpayer in the tax year.

For corporations operating a child care facility for its employees in New Mexico

A taxpayer that operates a child care facility in New Mexico used primarily by the dependent children of the taxpayer's employees may also claim a credit against the corporate income tax in an amount equal to 30% of the net cost of operating the child care facility for the tax year. "Net cost" means the cost of operating a child care facility less any amounts collected as fees for use of the facility, any federal tax credits with respect to the facility or its operation and any other payment or reimbursement from any other source other than the corporate-supported child care credit. If two or more taxpayers share in the cost of operating a child care facility primarily for the dependent children of the taxpayer's employees, each taxpayer shall be allowed a credit in relation to the taxpayer's share of the cost of operating the child care facility. Each taxpayer's share of the tax credit shall be determined by dividing the employer's share of the net cost of operating the child care facility by the number of children served and multiplying the result by the number of the taxpayer's employee's children served. The credit allowed pursuant to this subsection may be taken only if the child care facility is operated under the authority of a license issued by New Mexico according to the Public Health Act (Section 24-1-1 NMSA 1978) and without profit by the taxpayer.

Dependent children means a child under the age of 12 years of age who is a dependent of the employee as defined by the IRS (IRC Section 152).

HOW TO COMPLETE THIS FORM

All claimants complete the top portion of the claim form entering the claimant's name, federal employer identification number (FEIN) and New Mexico CRS identification number. Enter the name of the New Mexico child care facility and its address, if operating a child care facility primarily for employee's dependents, either alone or in cooperation with other corporations operating the child care facility primarily for the dependents of the employee's of all corporations.

If you are a corporation paying for child care services in New Mexico for the dependent children of its employees during the employee's hours of employment, complete **Section III**.

If you are a corporation that is operating a child care facility in New Mexico, primarily used for its employees during work hours, complete **Sections I and II**. If two or more corporations share the cost of operating the child care facility in New Mexico, also complete **Schedule A**, identifying the other corporations sharing the cost of operating the child care facility.

If you are both paying for qualified child care services and operating an eligible child care facility for employees, you must complete Sections I through III.

If you have corporate-supported child care credit carryforward available from prior year claims, complete **Schedule B**, computing the amount of credit available for carryforward to the current year.

All corporations claiming the credit, complete Section IV, lines 13 through 15.

HOW TO CLAIM THIS CREDIT

A corporation may claim this credit by attaching a completed Form CIT-3 to the corporate income and franchise tax return or the S corporate income and franchise tax return for the year in which the expenses were incurred, along with Schedule CIT-CR or S-Corp-CR. Mail the tax return and attachments to: New Mexico Taxation and Revenue Department, P.O. Box 25127, Santa Fe, NM 87504-5127.

For assistance claiming the credit, contact (505) 827-0825 in Santa Fe, or call toll free (866) 809-2335, select option 4.