

State of New Mexico - Taxation and Revenue Department
FOSTER YOUTH EMPLOYMENT TAX CREDIT CLAIM FORM

HOW TO USE THIS FORM. When claiming a foster youth employment tax credit, this form must accompany the tax return to which the taxpayer wishes to apply the credit.

You may claim this credit when electronically filing your personal or corporate income tax return on Taxpayer Access Point (TAP). Go to <https://tap.state.nm.us> and log into your TAP account. Follow the prompts to add PIT-CR, CIT-CR, S-Corp-CR or FID-CR and required attachments to the tax return. To claim this credit by mail, attach this form to the tax return to which you wish to apply the credit and mail to the address on the tax return. For assistance claiming this credit call (505) 827-0792 or send an email to BusinessCredit.Mgr@state.nm.us.

ABOUT THIS TAX CREDIT

For tax years beginning on or after January 1, 2018 a taxpayer who employs a qualified foster youth for at least 20 hours per week, in New Mexico is eligible for a credit against the taxpayer's personal or corporate income tax liability for up to \$1,000 for wages paid to each qualified foster youth. If the foster youth's qualified period of employment is less than a full year, the credit for that year is reduced based on the ratio of the qualified period of employment over the full tax year of the employer. See the instructions for Form RPD-41389, *Application for Foster Youth Employment Tax Credit*, for additional requirements.

To apply for the credit, submit a completed Form RPD-41389, *Application for Foster Youth Employment Tax Credit*, to the Taxation and Revenue Department (TRD). See Form RPD-41389 for details on obtaining approval. Once you have been approved for the credit by TRD you may use this Form RPD-41390, *Foster Youth Employment Tax Credit Claim Form*, to claim the credit against your personal or corporate income tax liability due. When claiming approved foster youth employment tax credit(s), this form must accompany the tax return to which the tax credit is to be applied.

That portion of a foster youth employment tax credit approved by TRD that exceeds a taxpayer's income tax liability in the tax year in which the foster youth employment tax credit is claimed shall not be refunded to the taxpayer, but may be carried forward for up to three years.

Name of taxpayer (claimant)	Enter the FEIN or the SSN of the claimant Check one: ☐ FEIN ☐ SSN
-----------------------------	--

Computation of the Amount of Tax Credit Claimed

1. Enter the beginning and ending date of the report period to which you wish to apply approved foster youth employment tax credit.
2. **Enter the net New Mexico income tax calculated before applying any credit.**
3. Enter the portion of total credit available (from Schedule A) claimed on your current New Mexico PIT-1, CIT-1, S-Corp or FID-1 tax return. Do not enter more than the amount of Net New Mexico tax due. The credit used may not exceed the amount of tax otherwise due. Also attach a completed Schedule PIT-CR, CIT-CR, S-Corp-CR or FID-CR.

	From _____	to _____	
2.	\$		
3.	\$		

Enter the credit claimed on the applicable line of the New Mexico income tax Schedule PIT-CR, CIT-CR, S-Corp-CR, or FID-CR, and attach it to the New Mexico income tax return to which the credit is to be applied. The foster youth employment tax credit may be deducted only from the claimant's New Mexico personal or corporate income tax liability.

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

I certify that I have examined this return including accompanying returns and statements, and to the best of my knowledge and belief, they are true, correct and complete.

Signature of Taxpayer or Agent

Title

Date

State of New Mexico - Taxation and Revenue Department

FOSTER YOUTH EMPLOYMENT TAX CREDIT CLAIM FORM

Schedule A

Once the foster youth employment tax credit is approved, complete and attach Form RPD-41390, *Foster Youth Employment Tax Credit Claim Form*, including RPD- 41390 Schedule A, to your New Mexico tax return. If claiming the credit against income taxes, also attach the applicable tax credit Schedule PIT-CR, CIT-CR, S-Corp-CR or FID-CR.

(a) Credit approval number	(b) Year of approval	(c) Amount of credit approved	(d) Total credit claimed in previous tax years	(e) Unused credit [(c) - (d)]	(f) Applied to the attached return
TOTAL credit available Enter the sum of column (f) here and on line 3 of Form RPD-41390, page 1.					

State of New Mexico - Taxation and Revenue Department
FOSTER YOUTH EMPLOYMENT TAX CREDIT CLAIM FORM
INSTRUCTIONS

The foster youth employment tax credit may not be transferred to another taxpayer, but the right to claim the credit may be allocated to the owners of a business entity that is taxed federally as a partnership. The credit may be allocated to owners in proportion to the owner's interest in the business. See Form RPD-41389, *Application for Foster Youth Employment Tax Credit*, for allocating the credit.

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

HOW TO COMPLETE THIS FORM

Enter the name of the claimant and the claimant's federal identification number (FEIN) or social security number (SSN). Indicate whether the number is the FEIN or the SSN by checking the applicable box.

On line 1, enter the beginning and ending date of the report period to which you wish to apply the approved credit. Complete lines 2 and 3 showing the net New Mexico tax due and the amount of credit claimed. All claimants must complete and attach Schedule A reporting each credit claimed.

Attach this claim form (RPD-41390) to the tax return to which you wish to apply the foster youth employment tax credit.

Approved credit should first be applied to the tax due for the year in which the wages were paid. Then apply the carryforward of approved credits for wages paid in a prior year. *Excess credit may not be refunded to the taxpayer, but may be carried forward for up to three years.*

Schedule A Instructions

For each foster youth employment tax credit approved, complete a row in Schedule A. Do not include credits which have been claimed in full.

COLUMN INSTRUCTIONS

(a) Credit approval number. Enter the credit approval number assigned by the Taxation and Revenue Department on your approval documentation.

(b) Year of approval. Enter the employer's tax year in which the eligible employment took place from your approval documentation.

(c) Amount of credit approved. For each credit, enter the amount of credit approved.

(d) Credit previously claimed. For each credit, enter the total amount of credit claimed in all report periods prior to the current report period.

(e) Unused credit. For each credit, subtract the amount in column (d) from the amount in column (c).

(f) Applied to the attached return. For each credit, enter in column (f) the amount that is applied to the attached New Mexico tax return.

When calculating the amount in column (f), apply the following rules:

- **Applying credits:** Apply foster youth employment tax credits in the order that they were approved. If you have both a carry-forward credit and new credit for the current tax year, apply the oldest credit against the income tax liability first.
- **The maximum amount of credit claimed in a tax year.** The sum of tax credits applied to the tax due on the return may not exceed the income tax claimed on the New Mexico income tax return. That amount is the net New Mexico income tax calculated before applying any tax credits claimed.

NOTE: Failure to attach this form and other required attachments to your New Mexico tax return will result in denial of the credit.