

Contents

Using Schedule S-Corp-CR	1
Claiming Credits	1
Completing S-Corp-CR	2
Tax Credit Types	3
Non-Refundable Credits	
A01 Affordable housing	3
A03 Agricultural water conservation	3
A04 Advanced energy	4
A05 Agricultural biomass	4
B01 Qualified business facility rehabilitation	5
B02 Blended biodiesel fuel	5
C02 Corporate child care	6
E01 Electronic card-reading equipment	6
F02 Foster youth employment corporate income	6
G01 Geothermal ground-coupled heat pump	7
G02 Intergovernmental business	8
J01 Job mentorship	8
L01 Land conservation incentives	8
P01 Preservation of cultural property	9
R01 Rural job.....	10
S02 Sustainable building	10
S03 New sustainable building	11
T01 Technology jobs (additional)	11
V01 Veteran employment	12
Refundable Credits	
F01 Film production	13
R03 Renewable energy production	13
T02 Technology jobs and research and development (additional)	14

Using Schedule S-Corp-CR

Use Schedule S-Corp-CR to claim business-related tax credits you may take against New Mexico corporate income tax reported on the 2018 S-Corp *New Mexico Sub-Chapter S Corporate Income and Franchise Tax Return*. On S-Corp-CR you may also claim any portion of refundable tax credits approved by the Department—film production tax credit, renewable energy production tax credit, and technology jobs and research and development tax credit.

Claiming Credits

Follow these general steps to claim non-refundable credits to apply to the tax liability and any refundable credits:

1. Complete S-Corp-CR with up to 5 credits.
2. If you are claiming more than 5 credits, complete S-Corp-CR Supplemental for the 6th and any additional credits, and then attach S-Corp-CR Supplemental to the S-Corp-CR form.
3. Transfer the total in S-Corp-CR, line A, to S-Corp, line 5.

S-Corp-CR INSTRUCTIONS

4. Transfer the total in S-Corp-CR line B, to S-Corp, line 21.
5. Attach the appropriate backup documentation to support the credit(s) taken and then attach S-Corp-CR to the S-Corp return.

Most credits require additional documents specific to the credit. For a full list of required documents for a credit, see the instructions for the credit.

How Much Can You Claim?

To calculate the amount you can claim for a credit, refer to the claim form or to the instructions for the credit. The sum of tax credits you apply to the tax due on the return may not exceed the income tax on S-Corp, line 4.

Tax Credit Information and Forms

These S-Corp-CR instructions give information about each tax credit. For a complete description of the credits, see Publication FYI-106, *Claiming Tax Credits for CRS Taxes and Business Related Income*.

For tax credit forms, instructions, and FYI-106, click www.tax.newmexico.gov/forms-publications.aspx. This takes you to the **Forms & Publications** web page.

To find tax credit forms and instructions on the web page, do the following:

1. Click the **Income Taxes** folder.
2. Click **Corporate Income Tax (CIT) - Current Year**.
3. Then click **Credits**.

To find FYI-106 on the **Forms & Publications** page, do the following:

1. Click the **Publications** folder.
2. Click **FYIs**.
3. Click **100 Series-General Information**.
4. Then click **FYI-106 - Claiming Tax Credits for CRS Taxes and Business-Related Income**.

Completing S-Corp-CR Lines 1 through 5

For each credit you claim, complete one line. In the four columns for each line, described next in this section, enter all the following:

- Credit type code
- If applicable, credit approval number
- Amount to apply to the tax due on the return
- Any amount of the credit to refund to you

Column A Credit Type Code

This is the code with three alphanumeric characters in front of each credit listed on Schedule S-Corp-CR. An entry in this field is required.

Column B Credit Approval Number

An approval number is not available for all credits. And for some credits, an approval number is not required. The instructions specify the number to use for each credit or instruct you to leave the column blank.

IMPORTANT: If you are claiming multiple credits for the same credit type, list each credit separately as illustrated in the next example.

Example

Taxpayer X received investment vouchers 123456-1 and 123456-2 for two separate affordable housing tax credits. X's return shows a liability of \$80 before applying any tax credits. X wants to use the remaining \$50 from the available carryforward on voucher 123456-1, and \$30 from voucher 123456-2.

On line 1, X does the following in each column:

- **Column A.** Enters **A01**.
- **Column B.** Enters **123456-1**.
- **Column C.** Enters **\$50**.
- **Column D.** Leaves blank. The affordable housing tax credit is not refundable.

On line 2, X does the following in each column:

- **Column A.** Enters **A01**.
- **Column B.** Enters **123456-2**.
- **Column C.** Enters **\$30**.
- **Column D.** Leaves blank. The affordable housing tax credit is not refundable.

Column C Amount of Credit Applied to Tax Due

On line A, enter the sum of all column C amounts on S-Corp-CR and, if you used any, on all CR Supplemental pages.

Column D Amount of Credit to Refund

On line B, enter the sum of all column D amounts on S-Corp-CR and, if you used any, on all CR Supplemental pages.

S-Corp-CR Non-Refundable Credits

Tax Credit Types Non-Refundable Credits

Code A01

Affordable housing tax credit

Beginning January 1, 2006, the Mortgage Finance Authority (MFA) determines eligibility, approves affordable housing projects for MFA or for a trust fund administered by MFA, and issues an investment voucher to a taxpayer who made an investment of land, buildings, materials, cash, or services for an affordable housing project.

Definition

Affordable housing covers land acquisition, construction, building acquisition, remodeling, improvement, rehabilitation, conversion, or weatherization for single-family or multi-family residential housing approved by MFA.

Investment Vouchers

The vouchers are good for up to 50% of the investment. After receiving a voucher from MFA, the taxpayer may apply the credit against gross receipts, compensating, withholding, or personal, fiduciary, or corporate income tax liabilities.

If you notify MFA about a sale or transfer and MFA reissues a voucher to the transferee, you may sell or transfer the voucher.

Carry Forward for Five Years

This credit is not refundable, but you can carry unused credits forward for five years.

Claiming This Credit

To claim this credit, follow these steps:

1. Complete RPD-41301, *Affordable Housing Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **A01**.
 - **Column B.** Enter the credit number assigned by MFA on the investment voucher. If the voucher was transferred to you, enter the new voucher number assigned by MFA.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41301
 - S-Corp-CR
 - Copies of the vouchers received from MFA
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more about MFA, visit www.housingnm.org or call (505) 843-6880 or toll free (800) 444-6880.

Code A03

Agricultural water conservation tax credit

You can claim a credit against a personal, fiduciary, or corporate tax liability for expenses incurred for eligible improvements in irrigation systems or water management methods. Eligible improvements are improvements that meet all the following requirements:

- They were made on or after January 1, 2008, but not after January 1, 2013.
- They are consistent and comply with a water conservation plan approved by the local soil and water conservation district where the improvement is located.
- They are primarily designed to substantially conserve water on land in New Mexico you own or lease, and you or your lessee use the water to produce agricultural products, harvest or grow trees, or sustain livestock.

Credit Limitations

The amount of the credit is the following percentage of eligible expenses incurred:

- 35% of eligible expenses incurred in calendar year 2008
- 50% of eligible expenses incurred from January 1, 2009 through December 31, 2012

Other important credit limitations are the following:

- The total credit allowed in a tax year may not exceed \$10,000.
- The agricultural water conservation tax credit provisions are repealed effective January 1, 2013.

Carry Forward for Five Years

Although this credit is not refundable, you may carry forward unused credit for up to five consecutive years.

Claiming This Credit

After you receive the certificate of eligibility from the Soil and Water Conservation Commission, you can claim the credit by following these steps:

1. Complete RPD-41319, *Agricultural Water Conservation Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **A03**.
 - **Column B.** Enter the last day of the tax year when the credit was first eligible to claim.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.

S-Corp-CR Non-Refundable Credits

3. Attach the following to the S-Corp return:

- RPD-41319
- S-Corp-CR
- Copy of the certificate of eligibility from the Soil and Water Conservation Commission

4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more about the Soil and Water Conservation Commission, visit www.nmda.nmsu.edu or call (575) 646-2642.

Code A04

Advanced energy tax credit

A taxpayer who holds an interest in a qualified electric generating facility located in New Mexico may be eligible to apply for and claim the advanced energy tax credit.

Credit Limitations

The amount of the credit is 6% of the eligible generation plant costs. The aggregate amount of tax credit that may be claimed with respect to a qualified generating facility is limited to \$60,000,000.

Carry Forward for 10 Years

This credit is not refundable, but if the credit amount exceeds the tax liability, you can carry forward the unused credit for up to 10 years.

Allocating the Right to Claim This Credit

You may allocate the right to claim this credit to other taxpayers who are interest owners in the qualified electric generating facility.

To allocate the credit to interest owners

- Complete the *Notice of Allocation of Right to Claim Advanced Energy Tax Credits*. This notice is the third page of RPD-41333, *Advanced Energy Tax Credit Application*.

Applying for This Credit

After you receive the certificate of eligibility from the New Mexico Environment Department (NMENV), follow these steps:

1. Complete RPD-41333, *Advanced Energy Tax Credit Application*.
2. Attach the certificate of eligibility that NMENV issued.
3. Within one year following the end of the calendar year in which the eligible generation plant costs were incurred, submit the following:
 - RPD-41333
 - If you are allocating the credit to interest owners,

the notice on the third page of RPD-4133

- All other attachments

4. Submit the S-Corp return and all attachments to the Department.

Claiming This Credit

After you receive approval, you can claim the credit by following these steps:

1. Complete RPD-41334, *Advanced Energy Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **A04**.
 - **Column B.** Enter the number the Taxation and Revenue Department issued. The number is identified on the credit approval letter. If the letter does not show a credit approval number, leave this box blank.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41334
 - S-Corp-CR
 - Approval letter from NMENV
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit <https://www.env.nm.gov> or call (505) 827-2855 or toll free (800) 219-6157.

Code A05

Agricultural biomass income tax credit

A credit is available for a taxpayer who owns a dairy or feedlot and who files a personal, fiduciary, or corporate income tax return for a taxable year beginning on or after January 1, 2011, and ending before January 1, 2020.

Credit Amount

The Department may allow a credit equal to \$5 per wet ton of agricultural biomass transported from the taxpayer's dairy or feedlot to a facility that uses agricultural biomass to generate electricity or makes biocrude or other liquid or gaseous fuel for commercial use.

Carry Forward for Four Years

Excess credit is not refundable, but you can carry it forward for a maximum of four consecutive tax years following the year the Department approved the credit.

Applying for This Credit

You must first obtain a certificate of eligibility from New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to qualify for this credit. When

S-Corp-CR Non-Refundable Credits

EMNRD issues you a certificate of eligibility, obtain approval from the Department by submitting to the Department a completed RPD-41362, *Agricultural Biomass Tax Credit Approval*, and the certificate of eligibility. The Department approves the credit and returns the approved form to the owner or holder.

Claiming This Credit

After you receive approval, you can claim the credit by following these steps:

1. Complete RPD-41361, *Agricultural Biomass Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **A05**.
 - **Column B.** Enter the credit number the Department assigned on RPD-41362, *Agricultural Biomass Tax Credit Approval*. If the tax credit was transferred to you, enter the new credit number on RPD-41363, *Notice of Transfer of Agricultural Biomass Tax Credit*.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41361
 - S-Corp-CR
 - Copy of certificate of eligibility that EMNRD issued
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit www.emnrd.state.nm.us or call (505) 476-3200.

Code B01

Qualified business facility rehabilitation credit

The business facility rehabilitation credit is enacted for some pre-approved costs of restoration, rehabilitation, or renovation of a qualified business facility located in a New Mexico enterprise zone.

NOTE: This credit, not currently available, was enacted in 1994 to administer the Federal Enterprise Zone Program supporting the renovation and rehabilitation of damaged or destroyed structures in community areas designated as enterprise zones. However, the Federal Enterprise Zone Program has been discontinued and, after 2006, the New Mexico Economic Development Department (EDD) listed the New Mexico Enterprise Zone Program as an inactive program.

Requirements and Credit Limitations

The facility must be suitable for use and put into service in the manufacturing, distribution, or service S-Corp-CR Instructions

industry immediately after the restoration, rehabilitation, or renovation project. This credit is for 50% of the pre-approved costs, not to exceed \$50,000.

Carry Forward for Four Years

An amount exceeding the tax liability is not refundable, but you may carry it forward for four consecutive years.

Claiming This Credit

To claim the credit, you must receive certification from the Enterprise Zone Program Officer of the New Mexico EDD. You are required to complete CIT-5, *Qualified Business Facility Rehabilitation Credit*, and S-Corp-CR, and then attach the following to the S-Corp return:

- CIT-5
- S-Corp-CR
- Certificate of completion that EDD issued

For More Information

To learn more about building revitalization programs in New Mexico, call (505) 827-0323 or New Mexico EDD at (505) 827-0300.

Code B02

Blended biodiesel fuel tax credit

Beginning January 1, 2007, but not after December 31, 2012, a rack operator or supplier who is required to pay the special fuel excise tax and who files a New Mexico personal, fiduciary, or corporate income tax return may claim a credit against the tax due on the return for each gallon of blended biodiesel fuel on which the rack operator or supplier paid the special fuel excise tax in the tax year.

This credit also applies to a rack operator or supplier who would have paid the special fuel excise tax in tax years 2007 to 2012, except for certain deductions allowed for special fuel sold or the treaty exemption for North Atlantic Treaty Organization use.

To qualify for this credit, a taxpayer must be a registered New Mexico supplier who reports qualifying biodiesel fuel receipts by filing RPD-41306, *Combined Fuel Tax Report*.

Carry Forward for Five Years

Although the blended biodiesel tax credit is not refundable and it is not available for tax years beginning on or after January 1, 2013, you can claim a carryforward of the credit for five years from the certificate of eligibility date.

Applying for This Credit

To apply for the credit, complete and submit to the Department RPD-41322, *Blended Biodiesel Fuel Tax Credit Application*. On this form you report qualifying biodiesel fuel receipts and establish eligibility for the credit.

S-Corp-CR Non-Refundable Credits

Claiming This Credit

To claim this credit, follow these steps:

1. Complete RPD-41340, *Blended Biodiesel Fuel Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **B02**.
 - **Column B.** Leave blank. A credit approval number is not required to claim this credit.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41340
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

Code C02

Corporate child care tax credit

Corporations providing or paying for licensed childcare services for employees' children under 12 years of age may deduct 30% of eligible expenses from their corporate income tax liability for the tax year in which the expenses occur, not to exceed \$30,000.

Carry Forward for Three Years

An amount exceeding the tax liability is not refundable, but you can claim a carryforward of the credit for three consecutive years.

Claiming This Credit

To claim this credit, follow these steps:

1. Complete CIT-3, *Corporate Child Care Credit*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **C02**.
 - **Column B.** Enter the last day of the tax year when the credit was first eligible to claim.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - CIT-3
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

Code E01

Electronic card-reading equipment tax credit

New Mexico has a one-time income tax credit for businesses that purchase electronic identification card readers for age verification. A business may claim this credit on a New Mexico personal, fiduciary, or corporate

income tax return if both of the following are true:

- The business is licensed to sell cigarettes, tobacco products, or alcoholic beverages.
- The business purchased and is using equipment that electronically reads identification cards to verify age.

Claim this business-related income tax credit in the tax year the equipment was purchased and put into use.

Credit Limitations

The credit amount is \$300 for each business location using electronic identification card readers. The owner, member, or partner of a pass-through entity may claim a credit in proportion to the owner's interest in the partnership or other business association. The total credit claimed by all members of the partnership or association may not exceed \$300 for each business location.

Carry Forward Information

An amount exceeding the tax liability is not refundable, and you may not carry it forward or backward.

Claiming This Credit

To claim this credit, follow these steps:

1. Complete and have notarized RPD-41246, *Income Tax Credit for Electronic Identification Card Reader, Purchase and Use Statement*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **E01**.
 - **Column B.** Leave blank. A credit approval number is not required to claim this credit.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41246
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

NOTE: When the \$300 credit is split among spouses, owners, partners, or other business entities, each claimant must show the division of the total credit (\$300 per business location) on RPD-41246, page 2.

Code F02

Foster youth employment corporate income 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

S-Corp-CR Non-Refundable Credits

is reduced based on the ratio of the qualified period of employment over the full tax year of the employer.

Requirements

The following are the requirements for this credit:

- An employer may not receive the credit for any individual qualified foster youth for more than one calendar year from the date of hire.
- Only one employer may receive the credit for a qualified foster youth during a tax year.
- The qualified foster youth was aged fourteen or older within seven years prior to the taxable year for which the tax credit is claimed and was in the legal custody of either the Children, Youth and Families Department (CYFD) pursuant to the Children's Code or in the legal custody of a New Mexico Indian Nation, Tribe or Pueblo, or the United States (US) Department of the Interior Bureau of Indian Affairs (BIA) Division of Human Services.
- The foster youth employment tax credit is only allowed for the employment of a foster youth who was not previously employed by the taxpayer prior to the taxable year for which the credit is claimed.

Carry Forward for Three Years

Excess credit is not refundable, but you may carry it forward for up to three years. This credit cannot be transferred to another taxpayer, but it can be allocated based on a taxpayer's ownership interest in a business.

Applying for This Credit

To apply for the credit, follow these steps:

1. For each eligible foster youth you employed in the tax year, complete RPD-41388, *Certification of Eligibility for the Foster Youth Employment Tax Credit*.
2. On RPD-41389, *Application for Foster Youth Employment Tax Credit*, show the number of certifications and enter the other required information to establish that you retain the status of an eligible employer.
3. Complete all other sections of RPD-41389.
4. Submit the following to the Department:
 - RPD-41389
 - An RPD-41388 for each eligible foster youth you employed during the tax year.

Claiming This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete RPD-41390, *Foster Youth Employment Tax Credit Claim Form*.
2. Complete SCORP-CR, including these columns:

- **Column A.** Enter **F02**.
 - **Column B.** Enter the credit approval number shown on the approved RPD-41389, *Foster Youth Employment Tax Credit Application*.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the SCORP-1:
 - RPD-41390
 - SCORP-CR
 4. Submit the SCORP-1 and all attachments to the Department.

Code G01

Geothermal ground-coupled heat pump tax credit

A credit is available for a taxpayer who purchased and installed a geothermal ground-coupled heat pump after January 1, 2010, but before December 31, 2020. To qualify for the tax credit, you must install the pump in a residence, business, or agricultural enterprise in New Mexico that you own or that a partnership or other business entity of which you are a member owns.

Credit Limitations

The credit, which may not exceed \$9,000, is available for up to 30% of the purchase and installation costs.

Carry Forward for 10 Years

This credit is not refundable, but you can carry forward unused credit for a maximum of 10 consecutive years following the tax year for which the credit was approved.

Applying for This Credit

To qualify for this credit, you must first obtain a certificate of eligibility from EMNRD.

Claiming This Credit

After you receive the certificate of eligibility, you can claim the credit by following these steps:

1. Complete RPD-41346, *Geothermal Ground-Coupled Heat Pump Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **G01**.
 - **Column B.** Enter the the certificate number EMNRD issued to you.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41346
 - S-Corp-CR
 - Copy of certificate of eligibility from EMNRD

S-Corp-CR Non-Refundable Credits

4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit www.emnrd.state.nm.us or call (505) 476-3200.

Code G02

Intergovernmental business tax credit

A corporation engaged in growing, processing, or manufacturing may receive a credit for up to 50% of all taxes imposed by an Indian nation, tribe, or pueblo, located wholly or partly in New Mexico, on income from new business activity on Indian land.

Credit Exceptions and Limitations

A tax eligible for credit under Section 7-29C-1 NMSA 1978, or any other intergovernmental business tax credit that provides a similar credit, may not be counted for intergovernmental business tax credit. Examples of such taxes are the following:

- Oil and gas severance tax
- Oil and gas conservation tax
- Oil and gas emergency school tax
- Oil and gas ad valorem production tax on products severed from Indian tribal land
- Tax imposed on the privilege of severing products from tribal land

The law limits the credit to income from a new business established on tribal land after July 1, 1997.

A **new business** is a manufacturer or processor occupying a new business facility or a grower who begins operations in New Mexico after July 1, 1997.

Claiming This Credit

To claim this credit, follow these steps:

1. Complete a statement establishing entitlement to the credit with proof of payment of tax to an Indian nation, tribe, or pueblo on which the credit is based.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **G02**.
 - **Column B.** Leave blank. A credit approval number is not required to claim this credit.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - Entitlement statement
 - S-Corp-CR

4. Submit the S-Corp return and all attachments to the Department.

Code J01

Job mentorship tax credit

A taxpayer who owns a New Mexico business may claim a job mentorship tax credit for employing qualified students who take part in a school-sanctioned, career preparation education program. A partnership or other business association of which the taxpayer is a member may claim a credit in proportion to the taxpayer's interest in the partnership or association.

Credit Limitations

The credit equals 50% of gross wages paid to a maximum of 10 qualified students. The business must employ each student for up to 320 hours during the tax year. A taxpayer may not claim a credit for one qualified individual for more than three tax years. The maximum credit for one tax year is \$12,000.

Carry Forward for Three Years

This credit is not refundable, but you may carry unused credit forward for three consecutive years.

Applying for This Credit

To apply for this credit, obtain RPD-41280, *Job Mentorship Tax Credit Certificate*, from the secondary school that operates the career preparation education program for each qualified student you employ.

For help obtaining the certificate, contact the principal of the school that the student you employ attends.

Claiming This Credit

To claim this credit, follow these steps:

1. Complete RPD-41281, *Job Mentorship Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **J01**.
 - **Column B.** Leave blank. A credit approval number is not required to claim this credit.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41280
 - RPD-41281
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

Code L01

Land conservation incentives credit

Corporations that donate land or interest in land to private

S-Corp-CR Non-Refundable Credits

or public conservation agencies for conservation purposes may claim a credit up to the following amounts from personal, fiduciary, or corporate income tax equal to 50% of the fair market value of the land transferred:

- \$100,000 for donations made before January 1, 2008
- \$250,000 for donations made on or after January 1, 2008

For a donation made after January 1, 2008, the corporation may sell, exchange, or transfer the credit in increments of \$10,000 or more.

Carry Forward for 20 Years

Unused credit is not refundable, but you may carry it forward for up to 20 consecutive years following the year when the qualified donation occurred.

Applying for This Credit

To apply for this credit, follow these steps:

1. Contact EMNRD to certify the eligibility of the donation.
2. After you receive the certificate of eligibility from EMNRD, complete RPD-41335, *Land Conservation Incentives Credit Application*.
3. Submit RPD-41335 and a copy of the certificate of eligibility to the Taxation and Revenue Department.

Claiming This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete RPD-41282, *Land Conservation Incentives Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **L01**.
 - **Column B.** Enter the credit number the Department assigned on RPD-41335, *Land Conservation Incentives Credit Application*. If the credit was transferred, enter the new credit number assigned on RPD-41336, *Notice of Transfer of Land Conservation Incentives Tax Credit*.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41282
 - S-Corp-CR
 - Letter from EMNRD certifying treatment as a qualified donation
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit www.emnrd.state.nm.us or call (505) 476-3200.

S-Corp-CR Instructions

Code P01

Preservation of cultural property credit

The credit for preservation of cultural property is 50% of the approved eligible costs of a project for the restoration, rehabilitation, or preservation of cultural property listed on the official New Mexico Register of Cultural Properties, not to exceed \$25,000.

Requirements and Limitations

Before the restoration begins, the New Mexico Cultural Properties Review Committee must approve the project plan. When the restoration ends, the committee must certify that the completed project conforms to the plan.

For tax years beginning on or after January 1, 2009, if the property is also certified by the State Coordinator of the New Mexico Arts and Cultural District Act as located within the boundaries of a state-certified or a municipally-certified arts and cultural district, pursuant to the Arts and Cultural District Act, a maximum of \$50,000 credit is allowed.

Carry Forward for Four Years

An amount exceeding the tax liability is not refundable, but you may carry it forward for four consecutive years.

Claiming This Credit

To claim this credit after you receive approval, follow these steps:

1. Complete CIT-4, *New Mexico Preservation of Cultural Property Credit*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **P01**.
 - **Column B.** Enter the log number shown on the project approval letter the Historic Preservation Division issued to you.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - CIT-4
 - S-Corp-CR
 - A copy of the letter of certification
 - The Part 2 approval from the New Mexico Cultural Properties Review Committee
 - If applicable, the approval from the New Mexico Arts and Cultural Districts coordinator
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more about the New Mexico Cultural Properties

www.tax.newmexico.gov

S-Corp-CR Non-Refundable Credits

Review Committee, visit www.nmhistoricpreservation.org/cprc.html or call (505) 827-6320. For information about New Mexico Arts and Cultural Districts, visit <https://gonm.biz/community-development/arts-cultural-district> or call (505) 827-0168.

Code R01 Rural job tax credit

A rural job tax credit is available for employers in rural areas of New Mexico who qualify for Job Training Incentive Program (JTIP) assistance. Eligible employers may earn the rural job tax credit for each qualifying job created after July 1, 2000.

The holder of the rural job tax credit may apply all or part of the credit against the holder's combined state gross receipts, compensating and withholding taxes, or personal, fiduciary, or corporate income tax.

Calculating the Credit for Qualifying Periods

A qualifying period is 12 months. Calculate the rural job tax credit at 6.25% of the first \$16,000 in wages paid for each qualifying job for no more than:

- Four qualifying periods in a Tier 1 area
- Two qualifying periods in a Tier 2 area

Rural Areas—Tier 1 and Tier 2

A rural area excludes Albuquerque, Corrales, Farmington, Las Cruces, Los Alamos County, Los Ranchos, Rio Rancho, Santa Fe, and Tijeras, and a 10-mile zone around these municipalities. Tier 2 areas are limited to Alamogordo, Carlsbad, Clovis, Gallup, Hobbs, and Roswell. Tier 1 is any rural area not part of a Tier 2 area.

Carry Forward for Three Years

An amount exceeding the tax liability is not refundable, but you may carry it forward for three consecutive years.

Applying for This Credit

To apply for the rural job tax credit, do the following:

1. Complete RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, to certify the wages paid to each eligible employee for each qualified job you claim in the eligible period.
2. Take RPD-41247 to a notary to notarize.
3. Complete RPD-41238, *Application for Rural Job Tax Credit*.
4. Send RPD-41247 and RPD-41238 to the address on RPD-41238.

Claiming This Credit

S-Corp-CR Instructions

After you receive approval from the Department, you can claim the credit by following these steps:

1. Complete RPD-41243, *Rural Job Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **R01**.
 - **Column B.** Enter the credit approval number the Department issued to you. The number is identified on the credit approval letter. If the letter does not show a credit approval number, leave this box blank.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41243
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more about JTIP, visit the New Mexico EDD website at www.gonm.biz, or call (505) 827-0300 or toll free (800) 374-3061.

Code S02 Sustainable building tax credit

A credit is available for construction in New Mexico of a sustainable building, for renovation of an existing building in New Mexico into a sustainable building, or for permanent installation of manufactured housing that is a sustainable building, regardless of where the housing is manufactured.

IMPORTANT: You may not claim this credit for tax years beginning on or after January 1, 2017. The new sustainable building tax credit, Code S03, covers tax years starting January 1, 2017, and ending December 31, 2026.

The credit is available for residential and commercial buildings after the construction, installation, or renovation of the sustainable building is complete. To qualify for the tax credit, the building must have achieved a silver or higher certification level in the Leadership in Energy and Environmental Design (LEED) green building rating system or the Build Green NM rating system.

Carry Forward for Seven Years

This credit is not refundable, but you can carry the credit forward for seven years from the first eligible tax year after the Department approved the credit.

Applying for This Credit

The sustainable building tax credit is not available for

www.tax.newmexico.gov

S-Corp-CR Non-Refundable Credits

qualified construction or renovations made after December 31, 2016. To apply for this credit, contact EMNRD.

NOTE: To claim credits from January 1, 2017 through December 31, 2016, see **Code S03, New Sustainable building tax credit**, next in this section.

Claiming This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete RPD-41329, *Sustainable Building Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **S02**.
 - **Column B.** Enter the credit number assigned by the Department on RPD-41327, *Sustainable Building Tax Credit Approval*. If the credit was transferred to you, enter the new credit number assigned on RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41329
 - S-Corp-CR
 - Copies of the letter of eligibility
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit www.emnrd.state.nm.us or call (505) 476-3200.

Code S03

New sustainable building tax credit

A new credit is available for construction in New Mexico of a sustainable building, for renovation of an existing building in New Mexico into a sustainable building, or for permanent installation of manufactured housing that is a sustainable building, regardless of where the housing is manufactured. You may claim the credit for tax years from January 1, 2017 through December 31, 2026.

The credit is available for residential and commercial buildings after the construction, installation, or renovation of the sustainable building is complete. To qualify for the tax credit, the building must have achieved a silver or higher certification level in the Leadership in Energy and Environmental Design (LEED) green building rating system or the Build Green NM rating system.

Carry Forward for Seven Years

This credit is not refundable, but you can carry the credit forward for seven years from the first eligible tax year after S-Corp-CR Instructions

the Department approved the credit.

Applying for This Credit

To apply for this credit, follow these steps:

1. Contact EMNRD to certify eligibility.
2. After you receive the certificate of eligibility from EMNRD, complete RPD-41382, *New Sustainable Building Tax Credit Approval*.
3. Submit RPD-41382 and a copy of the certificate of eligibility to the Department.

Claiming This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete RPD-41383, *New Sustainable Building Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **S03**.
 - **Column B.** Enter the credit number assigned by the Department on RPD-41382, *New Sustainable Building Tax Credit Approval*. If the credit was transferred to you, enter the new credit number assigned on Form RPD-41384, *Notice of Transfer of New Sustainable Building Tax Credit*.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41383
 - S-Corp-CR
 - A copy of the letter of eligibility
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit www.emnrd.state.nm.us or call (505) 476-3200.

Code T01

Technology jobs (additional) tax credit

The technology jobs tax credit is 4% of qualified expenditures for conducting research and development. If you increase the annual payroll by at least \$75,000, for every \$1 million in qualified expenditures you claim in a tax year, an additional 4% credit is available. The basic and additional credits double for businesses in rural areas. To qualify, make these expenditures prior to January 1, 2016.

Credits You May Apply to Taxes

You may apply only additional technology jobs tax credits to the income tax liability. The holder of the technology jobs tax credit certificate may apply all or part of the

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S-Corp-CR Non-Refundable Credits

credit against the holder's combined state gross receipts and compensating and withholding taxes. If you earned additional credits, you may claim that amount against personal, fiduciary, or corporate income taxes.

Carry Forward Information

An amount exceeding the tax liability is not refundable. However, if you were approved for the technology jobs tax credit, [replace semicolon with a comma] you may carry forward any unused credit amounts in subsequent periods.

Applying for This Credit

The technology jobs tax credit is not available for qualified expenditures made after January 1, 2016.

If you made expenditures after January 1, 2016, review RPD-41385, *Application for Technology Jobs and Research and Development Tax Credit*, to see if that credit is available for you.

Claiming This Credit

After you receive approval from the Department, claim the credit by following these steps:

1. Complete RPD-41244, *Technology Jobs Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **T01**.
 - **Column B.** Enter the credit approval number the Department issued to you. The number is identified on the credit approval letter. If the letter does not show a credit approval number, leave this box blank.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41244
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

Code V01

Veterans employment tax credit

For tax years beginning on or after January 1, 2012, but not after December 31, 2017, a taxpayer who employs a qualified military veteran in New Mexico is eligible for a credit against the taxpayer's personal, fiduciary, or corporate income tax liability for up to \$1,000 for wages paid to the qualified military veteran.

Requirements

The following are the requirements for this credit:

- The credit is only allowed for the employment of a

veteran who was not previously employed by the taxpayer before the individual's deployment.

- You must have hired the veteran within two years of receipt of an honorable discharge from a branch of the U.S. military.
- The veteran must be employed full time.
- You may only claim the credit for any individual qualified military veteran for one year from the date of hire.
- Multiple employers may not claim a credit for the same qualified veteran in the same tax year.
- If the veteran is employed for less than a full year, the credit for that year is reduced, based on the fraction of the year the veteran was actually employed.

Carry Forward for Three Years

Excess credit is not refundable, but you may carry it forward for up to three years.

Applying for This Credit

To apply for the credit, follow these steps:

1. For each eligible military veteran you employed in the tax year, complete RPD-41370, *Certification of Eligibility for the Veteran Employment Tax Credit*.
2. On RPD-41371, *Application for Veteran Employment Tax Credit*, show the number of certifications and enter the other required information to establish that you retain the status of an eligible employer.
3. Complete all other sections of RPD-41371.
4. Submit the following to the Department:
 - RPD-41371
 - An RPD-41370 for each eligible veteran you employed during the tax year

Claiming This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete RPD-41372, *Veteran Employment Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **V01**.
 - **Column B.** Enter the credit claim number shown on the approved RPD-41371, *Veteran Employment Tax Credit Application*.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
 - RPD-41372
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the

S-Corp-CR Refundable Credits

Department.

Refundable Credits

Code F01

Film production tax credit

The film production tax credit provides a credit for an eligible film production company. The amount of the credit is equal to 25% of direct production and direct postproduction expenditures. An additional 5% is allowed for certain direct production expenditures made for qualifying television productions.

This credit requires that direct production expenditures are directly attributable to the production in New Mexico of a film or commercial audiovisual, and requires that direct and post production expenditures are subject to taxation by the State of New Mexico. Excluded from the credit are costs for which the film production company has already issued a nontaxable transaction certificate under Section 7-9-86 NMSA 1978.

Applying for This Credit

To obtain approval for the credit, first apply to the New Mexico Film Office, a division of the EDD. After the film production company receives approval from EDD, the company must apply to the Department for Department approval of the credit. See RPD-41229, *Application for Film Production Tax Credit*.

When the company is approved, you may claim the credit by filing a personal, fiduciary, or corporate income tax return.

Claiming This Credit

Claim the credit by following these steps:

1. Complete RPD-41228, *Film Production Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **F01**.
 - **Column B.** Enter the credit approval number that the Department issued. The number is identified on the credit approval letter. If the letter does not show a credit approval number, leave this box blank.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
 - **Column D.** If you are eligible for a refund, enter the amount to refund.
3. Attach the following to the S-Corp return:
 - RPD-41228
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

NOTE: The amount of film production tax credit you may claim against the tax due on this return and the amount you may receive as a refund (based on the claim for the film production tax credit) are subject to certain limitations governing the payment of film production tax credit claims. For details about these limitations and how the claim may be impacted, see the instructions for RPD-41228, *Film Production Tax Credit Claim Form*.

For More Information

To learn more about the film credit, visit www.nmfilm.com or call (505) 476-5600.

Code R03

Renewable energy production tax credit

Personal, fiduciary, and corporate income taxpayers receive credit for producing electricity by solar light or heat, wind, or biomass for 10 consecutive years beginning on the date the qualified energy generator begins producing electricity.

Definition

A **qualifying energy generator** means a facility with at least one megawatt generating capacity located in New Mexico that produces electricity using a qualified energy resource and that sells this electricity to an unrelated person.

Deduct, Refund, or Carry Forward for Five Years

You may deduct the credit from the corporate income tax liability for which you are claiming the credit. If the amount of the tax credit exceeds the corporate income tax liability for the tax year, one of the following is true:

- If the tax credit was issued with respect to a qualified energy generator that first produced electricity using a qualified energy resource on or after October 1, 2007, the state refunds the excess to you.
- You may carry forward the excess credit for five years.

Applying for the Credit

EMNRD must first approve the qualified energy generator and the business claiming the credit. To qualify, EMNRD requires the taxpayer to do one of the following:

- Hold title to a qualified energy generator that first produced electricity on or before January 1, 2018.
- Lease property upon which a qualified energy generator operates from a county or municipality under the authority of an industrial revenue bond.

Claiming This Credit

When you receive approval from EMNRD, follow these steps to claim the credit:

1. Complete RPD-41227, *Renewable Energy Production Tax Credit Claim Form*.

S-Corp-CR Refundable Credits

2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **R03**.
 - **Column B.** Enter the last day of the tax year when the electricity was produced for which you are claiming a credit or a carryforward.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
 - **Column D.** If you are eligible for a refund, enter the amount to refund.
3. Attach the following to the S-Corp return:
 - RPD-41227
 - Certificate of eligibility from EMNRD
 - Documentation showing the taxpayer's interest in the facility
 - If applicable, the Allocation Notice that EMNRD approved
 - The annual Notice of Allocation from EMNRD, which includes the amount of electricity the facility produced
 - Any other information the Department may require to determine the amount of tax credit due the taxpayer
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more about the renewable energy credit, visit www.emnrd.state.nm.us or call (505) 476-3200.

Code T02

Technology jobs and research and development tax credit (additional)

This credit is 5% of qualified expenditures for conducting research and development. An additional 5% credit is available if the taxpayer increases its annual payroll by at least \$75,000 for every \$1 million in qualified expenditures it claims in a tax year. The basic and additional credits double for businesses in rural areas.

IMPORTANT: Taxpayers who claim the research and development small business tax credit are ineligible to claim the investment tax credit or the technology jobs and research and development tax credit for the same reporting period.

Expenditure Eligibility Requirements

The following are the eligibility requirements for this tax credit:

- Make qualified expenditures on or after January 1, 2016.
- Make eligible expenditures for research and

development at a qualified facility.

NOTE: For information on qualified expenditures, see the instructions for RPD-41385, *Application for Technology Jobs and Research and Development Tax Credit*.

Basic and Additional Credits

The holder of the Technology Jobs and Research and Development Tax Credit letter may apply all or part of basic credits against the holder's combined state compensating, withholding, and gross receipts tax, less any local option gross receipts tax.

If you earned additional credits, you may claim that amount against personal, fiduciary, or corporate income taxes. If the taxpayer is a qualified research and development small business, the Department may refund a portion of the additional credit based on the taxpayer's total qualified expenditures made in a tax year.

Carry Forward for Three Years

The basic credit is not refundable. Any credit not claimed against the taxpayer's income tax or corporate income tax due, or refunded, may be carried forward for three years from date of the original claim.

Applying for This Credit

To apply for the basic and additional credit, do the following:

1. Complete RPD-41385, *Application for Technology Jobs and Research and Development Tax Credit*.
2. Send it with the expenditure and payroll increase documentation to the address on RPD-41385.

Claiming This Credit

After you receive approval from the Department, claim the credit by following these steps:

1. Complete RPD-41386, *Technology Jobs and Research and Development Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
 - **Column A.** Enter **T02**.
 - **Column B.** Enter the credit approval number the Department issued to you. The number is identified on the credit approval letter. If the letter does not show a credit approval number, leave this box blank.
 - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
 - **Column D.** If you are eligible for a refund, enter the amount to refund. Otherwise, leave blank.
3. Attach the following to the S-Corp return:
 - RPD-41386
 - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.