

## INSTRUCTIONS FOR 2023 PIT-CR NEW MEXICO BUSINESS-RELATED INCOME TAX CREDIT SCHEDULE

### GENERAL INFORMATION

New Mexico tax law offers the business-related income tax credits listed on 2023 PIT-CR, *New Mexico Business-Related Income Tax Credit Schedule*. These credits may be applied against personal income taxes due.

If none of the credit types on Schedule PIT-CR apply to you, do not complete this schedule.

Each credit type is described in these instructions along with how to claim the credit and other applicable information. For example, carryforward time frames are given for the credits that let you carry forward an excess.

The following credits may be partially refunded if the credit exceeds the personal income tax liability due on your return:

- Film Production Tax Credit;
- New Film Production Tax Credit;
- New Mexico Film Partner New Film Production Tax Credit;
- Renewable Energy Production Tax Credit;
- New Solar Market Development Tax Credit;
- 2021 Sustainable Building Tax Credit; and
- Technology Jobs and Research and Development (Additional) Tax Credit.

### About Eligibility and Approval Requirements

Advance approval is required for most business-related income tax credits listed on this schedule. For detailed information about eligibility and approval requirements, and for a complete description of the credit, see the following:

- Publication FYI-106, *Claiming Business-Related Tax Credits for Individuals and Businesses*
- The forms referenced for the credit on the PIT-CR

### Married Couples

Each person in a married couple filing separate returns may claim half the allowable credit allowed on a joint return.

### Forms On Our Website

You can find the forms described in these instructions on the Taxation and Revenue Department website at: <https://www.tax.newmexico.gov/forms-publications/> in the Tax Credits (TC) folder.

### Line Instructions For Completing Schedule PIT-CR

Use Schedule PIT-CR to claim any of the business-related tax credits listed in these instructions that may be taken against New Mexico income tax reported on the PIT-1 return. For a complete description of the credits, see Publication FYI-106, *Claiming Business-Related Tax Credits for Individuals and Businesses*.

The PIT-CR is divided into several sections. The first section lists the business-related tax credits by credit type code. These tax credits are divided into (1) the non-refundable

business-related tax credits to be applied against tax due, and (2) the refundable business related-tax credits that may be applied both against tax due and as a credit to be refunded.

The next section is divided into columns A-D:

- the credit type code in column A. You must complete this field;
- the credit approval number, if applicable. It may not be available for all credits, and for some credits the credit approval number is not required. If your business credit does not have a credit approval number as described in the next section, *Tax Credit Types*, leave the credit approval number field blank;
- the amount to be applied to the tax liability on the return; and
- any amount of the credit that may be refunded to you.

If you are claiming multiple credits for the same credit type, list each credit separately. For example: Taxpayer X has received certificates 123456-1 and 123456-2 for two separate angel investment credits. X's return shows a liability of \$80 before applying any tax credits. X wants to use \$50 remaining from available carry forward on certificate 123456-1, and \$30 remaining from certificate 123456-2. A separate entry must be made for each credit: Therefore, on line 1, X enters A02 in the credit type code column, enters 123456-1 in the credit approval number column, and \$50 in the amount claimed column. The fourth column is left blank because the angel investment credit cannot be refunded. On line 2, X enters A02 in the credit type column, enters 123456-2 in the credit approval number column, and \$30 in the amount claimed column.

You must report the first 5 credits on Schedule PIT-CR.

If you are claiming more than 5 credits to be applied to your tax liability or to be refunded, complete and attach the PIT-CR Supplemental. Attach the supplemental to the Schedule PIT-CR to report the additional credits.

To calculate the amount that may be claimed, refer to the claim form or supporting instructions for the credit.

**IMPORTANT:** The total amount you claim on line A, Schedule PIT-CR, may not exceed the sum of the tax due on PIT-1, lines 18 and 19, less any credit for tax paid to another state on PIT-1, line 20.

Enter the sum of column C (Amount Claimed Applied to Tax Due) on line A, Schedule PIT-CR.

Enter the sum of column D (Amount of Credit to Refund) on line B, Schedule PIT-CR.

Transfer the totals to the PIT-1 return as follows:

- Transfer the total credits to be applied to the liability due from Schedule PIT-CR, line A, to line 21 of the PIT-1 return.
- Transfer the tax credits to be refunded from Schedule PIT-CR, line B, to line 26 of the PIT-1 return.
- Attach the appropriate backup documentation to support the credit taken and attach Schedule PIT-CR and PIT-CR Supplemental (if you had more than 5 credits) to your PIT-1 return.

## TAX CREDIT TYPES

### Descriptions of each tax credit

Each type of credit is described next and includes the following information, as applicable:

- Whether the credit is refundable
- If you can carry it forward and for how long
- How to apply for the credit
- How to claim the credit

To calculate the amount you may claim against your personal income tax liability, refer to the claim form for the specific business-related income tax credit.

For contact information, and for a complete description of the credit, see the following:

- Publication FYI-106, *Claiming Business-Related Tax Credits for Individuals and Businesses*
- The forms referenced for the credit on the PIT-CR

### Affordable Housing Tax Credit (A01)

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.

The term "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.

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 income 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 your voucher.

### **Carry Forward for Five Years**

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

### **How To Claim This Credit**

To claim this credit, follow these steps:

1. Complete Form RPD-41301, *Affordable Housing Tax Credit Claim Form*.

2. Complete Schedule PIT-CR. In the **Credit Approval Number** box, 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.
3. Attach the following to your PIT-1:
  - RPD-41301
  - PIT-CR
  - Copies of the vouchers received from MFA
4. Submit your PIT-1 and all attachments.

### **Angel Investment Credit (A02)**

You may claim a credit for 25% of the qualifying investment, not to exceed \$62,500, per investment round, in a high-technology or manufacturing business if all of the following are true:

- You are a taxpayer who files a New Mexico personal income tax return.
- You are not a dependent of another individual.
- You are an accredited investor under IRS rules who makes a qualified investment.

Accredited investors may claim the angel investment credit for qualified investments in no more than five qualified businesses per tax year. A credit is not allowed for any investment made before January 1, 2007 or after December 31, 2025.

### **Carry Forward for 5 Years**

If your certificate was issued in 2015 or after, you can carry forward unused credits for 5 consecutive years. For credits issued 2014 and prior, you can carry forward unused credits for three consecutive years. The credit is not refundable.

### **How To Apply For This Credit**

To apply for this credit, follow these steps to get a certificate of eligibility.

1. Complete Form TRD-41404, *Angel Investment Credit Application*. Note: TRD-41404 can be filed electronically using the department's TAP website: <https://tap.state.nm.us>
2. Complete all applicable fields on this form. Incomplete forms can delay the review and approval process.
3. Submit all required documents to the Department.

### **How To Claim This Credit**

To claim the credit, follow these steps:

1. Complete Form RPD-41320, *Angel Investment Credit Claim Form*, and Schedule PIT-CR.
2. Attach the following to your PIT-1:
  - RPD-41320
  - PIT-CR
  - Copy of the certificate of eligibility from the Department
3. Submit your PIT-1 and all attachments.

In the **Credit Approval Number** box, enter the certificate number from the certificate of eligibility issued to you by the Department.

**Advanced Energy Tax Credit (A04)**

(Repealed July 1, 2023.)

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.

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 your tax liability, you can carry forward the unused credit for up to 10 years.

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, attach the *Notice of Allocation of Right to Claim Advanced Energy Tax Credits* to RPD-41333.

**How To Claim This Credit**

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

1. Complete Form RPD-41334, *Advanced Energy Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the number the Taxation and Revenue Department issued. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
3. Attach the following to your PIT-1:
  - RPD-41334
  - PIT-CR
  - Approval letter from NMENV
4. Submit your PIT-1 and all attachments.

**Agricultural Biomass Tax Credit (A05)**

A credit is available for a taxpayer who owns a dairy or feedlot and who files a personal or corporate income tax return for a taxable year beginning on or after January 1, 2011, and ending before January 1, 2030.

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 4 Years**

Excess credit is not refundable, but you can carry it forward for a maximum of 4 consecutive tax years from the first eligible year that the credit is approved to be claimed by the Department.

**How To Apply For This Credit**

You must first obtain a certificate of eligibility from EMNRD to qualify for this credit. When EMNRD issues you a certificate

of eligibility, obtain approval from the Department by submitting to the Department a completed Form 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.

**How To Claim This Credit**

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

1. Complete Form RPD-41361, *Agricultural Biomass Tax Credit Claim Form*.
2. Complete PIT-CR. In the Credit Approval Number box, enter the credit number the Department assigned on Form 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*.
3. Attach the following to your PIT-1:
  - RPD-41361
  - PIT-CR
  - Copy of certificate of eligibility issued by EMNRD
4. Submit your PIT-1 and all attachments.

**Film Production Tax Credit (F01)**

For film companies that commence principal photography prior to January 1, 2016, a credit is available in an amount equal to 25% of direct production and direct postproduction expenditures made in New Mexico that are subject to taxation and directly attributable to the production of a film or commercial audiovisual product. An additional 5% credit is allowed for certain direct production expenditures made for qualifying productions.

Excluded from the credit are costs for which the film production company has already executed a nontaxable transaction certificate under Section 7-9-86 NMSA 1978.

**How To Apply 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 to get Department approval of the credit. See Form RPD-41229, *Application for Film Production Tax Credit*.

When you are approved, you may claim the credit by filing your personal or corporate income tax return.

**How To Claim This Credit**

You can claim the credit by following these steps:

1. Complete Form RPD-41228, *Film Production Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit approval number that the Department issued. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
3. Attach the following to your PIT-1:
  - RPD-41228

- PIT-CR
4. Submit your PIT-1 and all attachments.

**NOTE:** The amount of film production tax credit you may claim against your tax due on this return and the amount you may receive as a refund (based on your 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 your claim may be impacted, see the instructions for RPD-41228, *Film-Related Tax Credit Claim Form*.

## **Foster Youth Employment Income Tax Credit (F02)**

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.

### **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 3 Years**

Excess credit is not refundable, but you may carry it forward for up to 3 years. This credit cannot be transferred to another taxpayer, but it can be allocated based on a taxpayer's ownership interest in a business.

### **Before Applying for This Credit**

The qualified youth will have to contact the Children, Youth, and Families Department's (CYFD) Family and Youth Services Bureau at (505) 827-8400 or the other agency which had legal custody of the qualified youth. That government agency, department, or bureau will have to send a letter or certificate to the qualified youth that includes their name, date of birth, and the date custody began.

### **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*. Attach the letter or certificate received from the government agency, department, or bureau showing the date custody began for the qualified youth.
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 PIT-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 PIT-1:
  - RPD-41390
  - PIT-CR
4. Submit the PIT-1 and all attachments to the Department.

## **New Film Production Tax Credit (F03)**

For film companies that commence principal photography on or after July 1, 2019, a credit is available in an amount equal to 25% of direct production and direct postproduction expenditures made in New Mexico that are subject to taxation and directly attributable to the production of a film or commercial audiovisual product. An additional 5% credit is allowed for certain direct production expenditures made for qualifying productions. In addition, a 5% credit is also allowed for production expenditures in areas more than 60 miles from Bernalillo or Santa Fe counties.

Excluded from the credit are costs for which the film production company has already executed a nontaxable transaction certificate under Section 7-9-86 NMSA 1978.

**NOTE:** If you are a New Mexico film partner, refer to F04 New Mexico Film Partner New Film production tax credit to claim your credit.

### **How To Apply 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 to get Department approval of the

credit. See Form RPD-41391, *Application for New Film Production Tax Credit*.

When you are approved, you may claim the credit by filing your personal or corporate income tax return.

## How To Claim This Credit

You can claim the credit by following these steps:

1. Complete Form RPD-41228, *Film-Related Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit approval number that the Department issued. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
3. Attach the following to your PIT-1:
  - RPD-41228
  - PIT-CR
4. Submit your PIT-1 and all attachments

## New Mexico Film Partner New Film Production Tax Credit (F04)

This credit applies to film production companies that are defined as New Mexico film partners that have made a commitment to produce films or commercial audiovisual products in New Mexico and have purchased or executed a 10 year contract to lease a qualified production facility. Limitations to certification of a claim in excess of the aggregate amount of claims provided by the Film Production Tax Credit Act does not apply to the certification of a budget for a New Mexico film partner.

New Mexico film partners that commence principal photography on or after July 1, 2019, a credit is available in an amount equal to 25% of direct production and direct postproduction expenditures made in New Mexico that are subject to taxation and directly attributable to the production of a film or commercial audiovisual product. An additional 5% credit is allowed for certain direct production expenditures made for qualifying productions. In addition, a 5% credit is also allowed for production expenditures in areas more than 60 miles from Bernalillo or Santa Fe counties.

Excluded from the credit are costs for which the film production company has already executed a nontaxable transaction certificate under Section 7-9-86 NMSA 1978.

## How To Apply 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 to get Department approval of the credit. See Form RPD-41391, *Application for New Film Production Tax Credit*.

When you are approved, you may claim the credit by filing your personal or corporate income tax return.

## How To Claim This Credit

You can claim the credit by following these steps:

1. Complete Form RPD-41228, *Film-Related Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit approval number that the Department issued. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
3. Attach the following to your PIT-1:
  - RPD-41228
  - PIT-CR
4. Submit your PIT-1 and all attachments

## Geothermal Ground-Coupled Heat Pump Tax Credit (G01)

A credit is available for a taxpayer who has 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 association of which you are a member owns.

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.

## How To Apply For This Credit

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

## How To Claim This Credit

After you receive the certificate of eligibility, you can claim the credit against personal income tax due by following these steps:

1. Complete Form RPD-41346, *Geothermal Ground-Coupled Heat Pump Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the certificate number EMNRD issued to you.
3. Attach the following to your PIT-1:
  - RPD-41346
  - PIT-CR
  - Copy of certificate of eligibility from EMNRD
4. Submit your PIT-1 and all attachments.

## Job Mentorship Tax Credit (J01)

A taxpayer owning 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. 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 can carry unused credit forward for three consecutive years.

## How To Apply For This Credit

To apply for this credit, obtain a Form 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.

## How To Claim This Credit

To claim this credit, follow these steps:

1. Complete Form RPD-41281, *Job Mentorship Tax Credit Claim Form*.
2. Complete PIT-CR, leaving the **Credit Approval Number** box blank. A credit approval number is not required to claim this credit.
3. Attach RPD-41280, RPD-41281, and PIT-CR to your PIT-1.

## Land Conservation Incentives Credit (L01)

Persons who donate land or interest in land to private or public conservation agencies for conservation purposes may claim a credit up to the following amounts from personal 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 credit may be sold, exchanged, or transferred 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.

## How To Apply For This Credit

To apply for this credit, follow these steps:

1. Contact the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to certify the eligibility of the donation.
2. After you receive the certificate of eligibility from EMNRD, complete Form RPD-41335, *Land Conservation Incentives Credit Application*.
3. Submit RPD-41335 and a copy of the certificate of eligibility to the Department.

## How To Claim This Credit

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

1. Complete Form RPD-41282, *Land Conservation Incentives Tax Credit Claim Form*.

*tives Tax Credit Claim Form*.

2. Complete the PIT-CR. In the **Credit Approval Number** box, enter the credit number the Department assigned on Form RPD-41335, *Land Conservation Incentives Credit Application*. If the credit was transferred, enter the new credit number assigned on Form RPD-41336, *Notice of Transfer of Land Conservation Incentives Tax Credit*.

3. Attach the following to your PIT-1:

- RPD-41282
- PIT-CR
- Letter from EMNRD certifying treatment as a qualified donation

4. Submit your PIT-1 and all attachments.

## Preservation Of Cultural Property Credit (P01)

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

The New Mexico Cultural Properties Review Committee must approve the project plan before the restoration begins and 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 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.

## How To Claim This Credit

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

1. Complete Form PIT-4, *New Mexico Preservation of Cultural Property Credit*.
2. Complete Schedule PIT-CR. In the **Credit Approval Number** box, enter the log number shown on the project approval document that the Historic Preservation Division issued to you.
3. Attach the following to your PIT-1:
  - PIT-4
  - PIT-CR
  - 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

## Rural Job Tax Credit (R01)

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 employer must certify the wages paid to each eligible employee using Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*.

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

A qualifying period is 12 months. 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.

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 or corporate income tax. When you file your PIT-1, indicate the amount of the credit you want to apply to your liability.

To learn more about JTIP assistance, visit the New Mexico EDD website, call (505) 827-0300 or (800) 374-3061, or go to [www.gonm.biz](http://www.gonm.biz).

### Carry Forward for Three Years

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

### How To Apply For This Credit

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

1. Attach a notarized, completed Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, for each qualified job you claim in the eligible period.
2. Complete Form RPD-41238, *Application for Rural Job Tax Credit*.
3. Send the forms to the address on RPD-41238.

### How To Claim This Credit

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

1. Complete Form RPD-41243, *Rural Job Tax Credit Claim Form*.
2. Complete Schedule PIT-CR. In the **Credit Approval Number** box, enter the credit approval number the Department issued to you. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
3. Attach the following to your PIT-1:
  - RPD-41243
  - PIT-CR
4. Submit the form and schedule along with your PIT-1.

### Rural Health Care Practitioners Tax Credit (R02)

Beginning January 1, 2007, a taxpayer for whom all of the following are true may be eligible to claim the rural health care practitioners tax credit against a personal income tax liability:

- You file a New Mexico personal income tax return.
- You are not a dependent of another individual.
- You are an eligible health care practitioner.
- You have provided health care services in New Mexico in a rural health care underserved area.

The following are the maximum amounts allowed for the credit you can claim, depending on profession:

- \$5,000 for eligible physicians, osteopathic physicians, dentists, clinical psychologists, podiatrists, and optometrists who qualify, and
- \$3,000 for dental hygienists, physician assistants, certified nurse-midwives, certified registered nurse anesthetists, certified nurse practitioners, and clinical nurse specialists who qualify.

### Hours Required to Qualify

An eligible health care practitioner must have provided health care at a practice site located in an approved rural health care underserved area during a taxable year for at least:

- 2,080 hours to qualify for the full credit amount
- 1,040 hours, but less than 2,080 hours, to qualify for one-half the full credit amount.

### Carry Forward for Three Years

If the amount of the credit you claim exceeds your tax liability for the taxable year for which you are claiming the credit, you can carry forward the excess for three consecutive tax years. This credit is not refundable.

### How To Apply For This Credit

Before an eligible health care practitioner may claim the rural health care practitioner tax credit, the practitioner must apply to DOH for a certificate of eligibility for the credit. When DOH approves a practitioner, DOH issues a certificate to the qualified eligible health care practitioner.

### Lists of Locations Approved by DOH

DOH compiles and annually revises lists of approved rural practice locations. These revisions reflect any changes in the need for health practitioners throughout the state.

Separate lists are available for different categories of health care practitioners.

The lists are compiled with the input of a program advisory group that includes representatives from several health professions.

### How To Claim This Credit

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

1. Complete Form RPD-41326, *Rural Health Care Practitioner Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit approval number issued to you by DOH.
3. Attach the following to your PIT-1:
  - RPD-41326
  - PIT-CR
  - Copy of the certificate of eligibility received from DOH

4. Submit your PIT-1 and all attachments.

**For More Information**

For a copy of location lists and for more information about certification of eligibility, contact DOH at (505) 222-8672 or visit their website at [www.nmhealth.org](http://www.nmhealth.org). The physical address of DOH is 300 San Mateo NE, Suite 900, Albuquerque, NM 87108.

**Renewable Energy Production Tax Credit (R03)**

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

**Deduct, Refund, or Carry Forward for Five Years**

This refundable credit is not currently available to apply for but you may deduct an existing credit from your personal income tax liability for which you are claiming the credit.

If the amount of the tax credit exceeds your personal income tax liability for the tax year, one of the following is possible:

- 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. **or**
- You may carry forward the excess credit for five years.

**How To Claim This Credit**

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

1. Complete Form RPD-41227, *Renewable Energy Production Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the last day of the tax year when the electricity was produced for which you are claiming a credit or a carryforward.
3. Attach the following to your PIT-1:
  - RPD-41227
  - Certificate of eligibility from EMNRD
  - Allocation Notice approved by EMNRD, if applicable
  - PIT-CR
  - A copy of the letter from EMNRD certifying treatment as a qualified donation
4. Submit your PIT-1 and all attachments.

**Solar Market Development Tax Credit (S01)**

A taxpayer who has received certification from EMNRD for the purchase and installation of a qualified photovoltaic or solar thermal system in a residence, business, or agricultural enterprise in New Mexico owned by that taxpayer may claim the credit. The photovoltaic or solar thermal system must be purchased and installed after January 1, 2006, but before **December 31, 2016**.

**NOTE:** The solar market development tax credit is reported on Schedule PIT-CR, as credit type code S01. The new solar

market development tax credit enacted in 2020 is reported on Schedule PIT-CR, as credit type code S04. The renewable energy tax credit is reported on Schedule PIT-CR, as credit type code R03. These credits are not the same credit.

**Carry Forward for 10 Years**

This non-refundable credit is not currently available to apply for but you can carry an existing credit forward for the maximum of 10 consecutive years from the first eligible year in which the certificate from EMNRD was issued.

**How To Claim This Credit**

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

1. Complete Form RPD-41317, *Solar Market Development Income Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the certificate number shown on the certificate of eligibility EMNRD issued to you.
3. Attach the following to your PIT-1:
  - RPD-41317
  - PIT-CR
  - A copy of the letter from EMNRD certifying the project
4. Submit your PIT-1 and all attachments.

**IMPORTANT:** To claim this credit, you must have a certificate from EMNRD issued to you before December 31, 2016.

**Sustainable Building Tax Credit (S02)**

A taxpayer with qualified construction or renovations made after January 1, 2017 but ending on or before December 31, 2026, should contact the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to certify your eligibility to claim the new Sustainable Building Tax Credit.

**Carry Forward for 7 Years**

This non-refundable credit is not currently available to apply for but you can carry an existing credit forward for the maximum of 7 consecutive years from the first eligible year that the credit was approved to be claimed by the Department.

**How To Claim This Credit**

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

1. Complete Form RPD-41329, *Sustainable Building Tax Credit Claim Form*
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit number assigned by the Department on Form RPD-41327, *Sustainable Building Tax Credit Approval*. If the credit was transferred to you, enter the new credit number assigned on Form RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*.
3. Attach the following to your PIT-1:
  - RPD-41329
  - PIT-CR
  - Copies of the letter of eligibility
4. Submit your PIT-1 and all attachments.

**2015 Sustainable Building Tax Credit (S03)**



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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.

You may claim the credit for tax years from January 1, 2017 through December 31, 2024.

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 year that the credit is approved to be claimed by the Department.

## How To Apply For This Credit

To apply for this credit, follow these steps:

1. Contact the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to certify your eligibility.
2. After you receive the certificate of eligibility from EMNRD, promptly complete Form RPD-41382, *2015 Sustainable Building Tax Credit Approval*.
3. Submit RPD-41382 and a copy of the certificate of eligibility to the Department.

## How To Claim This Credit

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

1. Complete Form RPD-41383, *2015 Sustainable Building Tax Credit Claim Form*
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit number assigned by the Department on Form RPD-41382, *2015 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 2015 Sustainable Building Tax Credit*.
3. Attach the following to your PIT-1:
  - RPD-41383
  - PIT-CR
  - Copies of the letter of eligibility
4. Submit your PIT-1 and all attachments.

## New Solar Market Development Tax Credit (S04)

A taxpayer who has received certification from EMNRD for the purchase and installation of a qualified photovoltaic or solar thermal system in a residence, business, or agricultural enterprise in New Mexico owned by that taxpayer may claim the credit. The photovoltaic or solar thermal system must be purchased and installed on or after **March 1, 2020**, but

before December 31, 2031. The credit can be claimed on a personal or fiduciary income tax return beginning on or after January 1, 2020.

**NOTE:** The solar market development tax credit is reported on Schedule PIT-CR, as credit type code S04. The renewable energy tax credit is reported on Schedule PIT-CR, as credit type code R03. These credits are not the same credit.

## Carry Forward for 5 Years

For taxpayer who claimed this credit on their 2020 and 2021 returns only. You can carry an existing credit forward for the maximum of 5 consecutive years from the first eligible year in which the certificate from EMNRD was issued. **Note:** This credit is non-refundable for taxpayers who claimed the credit prior to January 1, 2022.

## Refundable Credit

For taxpayer who claim the credit on or after January 1, 2022, the portion of the new solar market development income tax credit that exceeds the taxpayer's tax liability shall be refunded to the taxpayer.

## Sold, Exchange, or Transfers

Effective January 1, 2022 (HB-163 (2022)) a certificate of eligibility for a new solar market development tax credit may be sold, exchanged, or otherwise transferred to another taxpayer for the full value of the credit. The Taxation and Revenue Department shall be notified of the sale, exchange, or transfer within ten days.

## How To Claim This Credit

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

1. Complete Form TRD-41406, *New Solar Market Development Income Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the certificate number shown on the certificate of eligibility EMNRD issued to you.
3. Attach the following to your PIT-1:
  - TRD-41406
  - PIT-CR
  - A copy of the letter from EMNRD certifying the project
4. Submit your PIT-1 and all attachments.

**IMPORTANT:** To claim this credit, you must have a certificate from EMNRD issued to you on or after March 1, 2020, and before December 31, 2031.

## 2021 Sustainable Building Tax Credit (S05)

A credit is available for the construction in New Mexico of a sustainable building, the renovation of an existing building in New Mexico, the permanent installation of manufactured housing, regardless of where the housing is manufactured, that is a sustainable building or the installation of energy-conserving products to existing buildings in New Mexico. You may claim the credit for tax years prior to January 1, 2030.

If the certification level for a sustainable residential building

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is awarded on or after January 1, 2021, EMNRD may issue a certificate of eligibility to a building owner who is:

- the owner of the sustainable residential building at the time the certification level for the building is awarded, **or**
- the subsequent purchaser of a sustainable residential building with respect to which no tax credit has been previously claimed.

The credit is available to the building owner of residential and commercial buildings, after the construction, installation, or renovation of the sustainable building is complete. To be eligible, the building owner must obtain a Certificate of Eligibility issued by the Energy, Minerals and Natural Resources Department (EMNRD). To claim the credit, the taxpayer must submit TRD required forms and Certificate of Eligibility with the taxpayer's income tax return.

## Refundable Credit

This credit is considered non-refundable. However, if the taxpayer is a low-income taxpayer, the excess shall be refunded to the taxpayer.

"Low-income taxpayer" means a taxpayer with an annual household adjusted gross income equal to or less than two hundred percent of the federal poverty level (200% of the FPL) guidelines published by the United States department of health and human services.

## Applying for This Credit

To apply for this credit, follow these steps:

1. Contact EMNRD to certify eligibility.
2. After EMNRD approves the credit they will issue the taxpayer a Certificate of Eligibility.

## Claiming This Credit

Follow these steps to claim the credit:

1. Complete TRD-41252, *2021 Sustainable Building Tax Credit Claim Form*.
2. Complete CIT-CR, including these columns:
  - **Column A.** Enter **S05**.
  - **Column B.** Enter the credit number assigned by the Department on Certificate of Eligibility. If the credit was transferred to you, enter the new credit number assigned on Form TRD-41253, *2021 Sustainable Building Tax Credit Notice of Transfer*.
  - **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 PIT-1:
  - TRD-41252
  - PIT-CR
  - A copy of the Certificate of Eligibility or Notice of Transfer
4. Submit the PIT-1 and all attachments to the Department.

## For More Information

To learn more, visit <https://www.emnrd.state.nm.us/ecmd/> or call (505) 476-3200.

## Technology Jobs And Research And Development (Additional) Tax Credit (T02)

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. To be eligible, qualified expenditures must be made on or after January 1, 2016.

The taxpayer must make the eligible expenditures for research and development at a qualified facility. For more information on qualified expenditures, see the instructions for Form RPD-41385, *Application for Technology Jobs and Research and Development Tax Credit*.

The holder of the Technology Jobs and Research and Development Tax Credit document 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. "Basic" credit may be not be refunded but may be carried forward for three years from the date of the original claim.

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

**NOTE:** 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.

## How To Apply For This Credit

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

1. Complete Form RPD-41385.
2. Send it along with your expenditure and payroll increase documentation to the address on RPD-41385.

## How To Claim This Credit

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

1. Complete Form RPD-41386, *Technology Jobs and Research and Development Tax Credit Claim Form*.
2. Complete Schedule PIT-CR.
  - In the **Credit Approval Number** box, enter the credit approval number the Department issued to you. The number is identified on your credit approval letter. If the

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letter does not show a credit approval number, leave this box blank.

- In the **Amount Claimed Applied To Tax Due** box, indicate the amount of the credit you want to apply to your liability.
- In column D, indicate the amount of the credit to be refunded, if eligible.

3. Attach the following to your PIT-1:

- RPD-41386
- PIT-CR

4. Submit RPD-41386 and PIT-CR along with your PIT-1.

TAX INFORMATION AND POLICY OFFICE

DRAFT FORM

DO NOT FILE

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