

JOB TRAINING INCENTIVE PROGRAM

The New Mexico Job Training Incentive Program is a highly flexible state program to provide pre-employment (classroom) and on-the-job training. Customized training may be provided by post-secondary educational institutions, company trainers, or outside trainers. The state will reimburse:

- Up to 40% of trainees' wages up to 1,040 hours for companies located in urban areas
- Up to 65% of trainees' wages for up to 1,040 hours for companies located in rural areas
- Classroom training costs provided by New Mexico post-secondary educational institutions (\$35 per hour for instructors' time capped at \$1,000 per employee)

*Source: New Mexico State Economic Development Department www.edd.nm.us

INDUSTRIAL REVENUE BONDS*

Significant real and personal property tax and compensating tax exemptions can occur through the use of an Industrial Revenue Bond (IRB). An IRB is a loan from the bond purchaser to a company where the loan proceeds and repayment flows through a governmental issuer. Instead of purchasing a facility directly, companies can enter into a lease with the issuer, provided the company will lease the facility from the issuer and at end of the lease, purchase the facility from the issuer for a nominal amount.

IRBs can also be used when a developer is involved. A separate series of bonds are issued to finance the developer's real estate and building costs and the tax savings of the IRB can flow through to the ultimate user through a sublease.

The benefit of the remaining property tax exemptions can be passed on to the new owner or flow through a lease in the event of a sale or lease to a new user under certain qualifying conditions. City Council or County Commission must vote to induce an IRB, and the community does not lend its credit to an IRB. The company must secure its own purchaser of IRBs or the company can purchase its own IRB.

The amount of the property tax exemption and the term of bond is determined by each community.

* Speak to our commercial team about special conditions for for IRBs at Mesa del Sol.

HIGH WAGE JOB TAX CREDIT

Provides businesses with a tax credit equal to 10 percent of the combined value of salaries and benefits for each net new job paying a net taxable wage of at least \$40,000 per year in the Albuquerque metropolitan area and other communities larger than 40,000 in population. Companies located in communities with a population less than 40,000 are eligible for the same tax credit for each net new job paying a net taxable wage of at least \$28,000.

Qualified employers can take the credit for four years. The refundable credit can be applied against the modified combined tax liability of the taxpayer, including the state portion of the gross receipts tax, compensating tax and withholding tax. Excludes the local portion of the gross receipts tax. Employees must be hired prior to July 1, 2015.

MANUFACTURING INVESTMENT TAX CREDIT

New Mexico tax law provides for a credit equal to 5.125 percent of the value of qualified equipment and other property used directly and exclusively in a manufacturing operation. The credit can be applied against compensating, gross receipts tax or withholding tax due. Gross receipts tax acts very much like a sales tax; the Albuquerque rate is 7.0 percent. Compensating (or use) tax applies to purchases made out of state and totals 5.125 percent.

The credit is limited to 85 percent of the sum of the taxpayer's gross receipts tax, compensating tax, and withholding tax due for the reporting period. Any remaining available credit may be claimed in subsequent operating periods.

The credit may be claimed for equipment acquired under an IRB. This is a double benefit since no gross receipts or compensating tax was paid on the purchase or importation of the equipment.

Criteria:

| | |
|--------------------|------------------------------------|
| For Claims | 1 New Worker Employed for Each |
| \$0 - \$30,000,000 | \$500,000 in qualified equipment |
| Over \$30,000,000 | \$1,000,000 in qualified equipment |

The credit at above levels is available until June 30, 2020. After June 30, 2020, the value of equipment available for the credit is capped at \$2 million.

TECHNOLOGY JOBS TAX CREDIT

Qualified New Mexico facilities may take a credit equal to 4 percent (8 percent in rural areas) of expenditures related to qualified research for land, buildings, equipment, computer software and upgrades, consultants, technical books and manuals, test materials, costs associated with patents, payroll, and labor. The credit may be taken against gross receipts tax, compensating tax or state payroll tax, and may be carried forward.

An additional 4 percent (8 percent total urban, 16 percent total rural) may be applied against state income tax if base payroll expenses increase by at least \$75,000 per \$1,000,000 of expenditures claimed. The credit may be carried forward.

Credits are not available for expenditures on buildings owned by a local government entity in conjunction with an Industrial Revenue Bond or already owned by the taxpayer or an affiliate before February 2000.

NM LOTTERY SCHOLARSHIPS

Since 1996, more than 68,000 students from across the state have attended New Mexico public colleges, universities and technical colleges with the help of Legislative Lottery Scholarships. Part of every dollar spent on Lottery tickets benefits New Mexico's future. It opens the door to new generations of New Mexicans to obtain a college education which otherwise might not have been possible. That helps make New Mexico a better place to live.

- Pays 100% of tuition for eight consecutive semesters of eligibility beginning with the second semester of college enrollment
- No application required, although some colleges may require the completion of FAFSA, the Free Application for Federal Student Aid
- May be used at 25 public colleges, junior colleges or universities in New Mexico.
 - 7 four-year institutions
 - 10 two-year branch institutions
 - 8 two-year independent institutions.
 - [Click here for a list of eligible schools](#)
- Students who transfer to another eligible college keep the scholarship - even if tuition increases.

Legislative Lottery Scholarships help provide tuition to New Mexico residents who want to attend a New Mexico public college or university. As of May 2010, the minimum requirements are:

- Be a New Mexico resident
- Graduate from a New Mexico public high school, an accredited private high school recognized by the Public Education Department, or obtain a New Mexico GED
- Enroll full-time at an eligible New Mexico public college or university in the first regular semester immediately following high school graduation or obtaining a GED; military veterans who meet all other scholarship eligibility requirements have one year to enroll in college following an honorable or medical discharge
- Obtain and maintain at least a 2.5 GPA.

OUT-OF-STATE TUITION WAIVER

Out-of-state Tuition Waiver UNM and Central NM Community College will make in-state resident tuition rates available to relocating employees and their families who qualify for admission.

Sources: New Mexico Partnership, Albuquerque Economic Development

Note: Incentive details are provided for information purposes only. The information should not be relied upon as legal advice or a legal opinion for any specific facts or circumstances. For a complete analysis for individual fact situations we recommend that the reader consult with a qualified state tax lawyer or accountant.