

ADVANCED ENERGY TAX CREDIT

Solar-thermal, photovoltaic electricity-generating facilities and other advanced energy facilities are eligible for an income tax credit equal to 6 percent of facility-development and facility-construction expenditures.

ALTERNATIVE ENERGY PRODUCT MANUFACTURERS' TAX CREDIT

Provides for a credit equal to 5 percent of the value of qualified equipment and other property used directly and exclusively in a manufacturing operation that makes components or systems for alternative energy products.

Alternative Energy Product: an alternative energy vehicle, fuel cell system, renewable energy system or any component of an alternative energy vehicle, fuel cell system or renewable energy system or components for integrated gasification combined cycle coal facilities and equipment related to the sequestration of carbon from integrated gasification combined cycle plants.

The credit can be applied against compensating, gross receipts tax or withholding tax due. Any remaining credit can be carried forward for up to five years.

The effective date of this credit is July 1, 2007.

Criteria:

Employer must meet the following criteria for new jobs added:

- Company must employ one new full-time employee for each \$500,000 in qualified equipment up to \$30,000,000 to receive the credit
- Company must employ one new full-time employee for each \$1,000,000 in qualified equipment over \$30,000,000 to receive the credit

BIODIESEL BLENDING FACILITY TAX CREDIT

Installers of biodiesel-blending equipment for the production of blended biodiesel fuel may claim a credit against gross receipts tax and compensating tax, equal to 30 percent of the purchase cost of the equipment and the cost of installation.

BIOMASS-RELATED EQUIPMENT & BIOMASS MATERIALS TAX DEDUCTIONS

Deductions in computing the compensating tax due apply to the value of a biomass boiler, gasifier, furnace, turbine-generator, storage facility, feedstock-processing or feedstock-drying equipment, feedstock trailer or interconnection transformer, as well as the value of biomass materials used for processing into biopower, biofuels or biobased products.

BLENDING BIODIESEL FUEL TAX CREDIT

Corporate income tax credits may be claimed for each gallon of blended biodiesel fuel (2 percent biodiesel minimum) upon which the special-fuel excise tax was imposed in the taxable year.

CHEMICALS & REAGENTS GROSS RECEIPTS TAX DEDUCTION

Receipts from selling chemicals or reagents to any mining, milling or oil company for use in processing ores or oil in a mill, smelter or refinery or in acidizing oil wells, and receipts from selling chemicals or reagents in lots in excess of 18 tons may be deducted from gross receipts.

ELECTRICITY PRODUCTION & TRANSMISSION COMPENSATING TAX EXEMPTION

Electricity used in the production and transmission of electricity is exempted from the compensating tax.

OIL & NATURAL GAS GROSS RECEIPTS TAX & COMPENSATING TAX EXEMPTIONS

The following are exempt from gross receipts tax or compensating tax in lieu of other taxes:

- Receipts from the sale of or leasing of oil, natural gas or mineral interests;
- Receipts from the sale of products;
- Receipts from the sale or processing of products;
- Receipts from the sale or processing of natural resources the severance or processing;
- Receipts from the sale of oil, natural gas, liquid hydrocarbon or any combination thereof consumed as fuel in the pipeline transportation of such products; and
- The use of oil, natural gas, liquid hydrocarbon or any combination thereof as fuel in the pipeline transportation of such products.

RENEWABLE ENERGY PRODUCTION TAX CREDIT

Each renewable-energy generator of one megawatt or more may earn an income tax credit (personal or corporate) of 1 to 4 cents per kilowatt hour over 10 years for the first 400,000 megawatt-hours (400,000,000 kilowatt-hours) of electricity, beginning with the first year of production.

RENEWABLE ENERGY TRANSMISSION EQUIPMENT GROSS RECEIPTS TAX DEDUCTION

Receipts from selling equipment to the New Mexico Renewable Energy Transmission Authority (RETA) or an agent or lessee of RETA may be deducted from gross receipts if the equipment is installed as part of an electricity- transmission facility or an interconnected storage facility acquired by RETA.

RENEWABLE ENERGY TRANSMISSION EQUIPMENT COMPENSATING TAX DEDUCTION

The value of equipment installed as part of an electricity-transmission facility or an interconnected storage facility acquired by the New Mexico Renewable Energy Transmission Authority.

RENEWABLE ENERGY TRANSMISSION SERVICES GROSS RECEIPTS TAX DEDUCTION

Receipts from providing services to the New Mexico Renewable Energy Transmission Authority (RETA) or an agent or lessee of RETA for the planning, installation, repair, maintenance or operation of an electricity transmission facility or an interconnected storage facility acquired by RETA may be deducted from gross receipts.



INCENTIVES FOR PRODUCTION AND USE OF CLEAN AND RENEWABLE ENERGY

SOLAR ENERGY SYSTEMS GROSS RECEIPTS TAX EXEMPTION

Receipts from the sale and installation of on-site solar-electric and solar heating systems may be deducted from gross receipts.

SOLAR MARKET DEVELOPMENT INCOME TAX CREDIT

Up to \$9,000 of income tax credits may be claimed for the purchase and installation costs of a solar-thermal system or photovoltaic system for a home or business, in addition to the federal solar tax credit.

WIND ENERGY GENERATION EQUIPMENT GROSS RECEIPTS TAX DEDUCTION

Receipts from selling wind generation nacelles, rotors or related equipment may be deducted from gross receipts.

SPECIAL FUEL GROSS RECEIPTS TAX DEDUCTION

Receipts from selling special fuel consisting of at least 99 percent vegetable oil or animal fat may be deducted from gross receipts.

SUSTAINABLE BUILDING TAX CREDIT

Income tax credits may be claimed for the construction or renovation of energy-efficient, sustainable buildings if certified by the LEED Green Building rating system or the Build Green New Mexico rating system.

URANIUM ENRICHMENT PLANT EQUIPMENT COMPENSATING TAX DEDUCTION

The value of equipment and replacement parts for that equipment may be deducted in computing the compensating tax due if the person uses the equipment and replacement parts to enrich uranium in a uranium enrichment plant.

URANIUM ENRICHMENT & ENRICHED URANIUM GROSS RECEIPTS TAX DEDUCTIONS

Receipts from selling enriched uranium and from providing the service of enriching uranium may be deducted from gross receipts.

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.