

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AN ACT
RELATING TO TAXATION; AMENDING THE INDUSTRIAL REVENUE BOND
ACT AND THE COUNTY INDUSTRIAL REVENUE BOND ACT TO INCLUDE
CERTAIN ELECTRIC ENERGY STORAGE FACILITIES AS ELIGIBLE
PROJECTS; REQUIRING THE PROVISION OF PAYMENT-IN-LIEU-OF-TAXES
PAYMENTS TO SCHOOL DISTRICTS IF A MUNICIPALITY OR COUNTY
ACQUIRES ENERGY STORAGE FACILITY PROJECTS; ADJUSTING
INDIVIDUAL INCOME TAX BRACKETS AND RATES; EXTENDING THE
AMOUNT OF TIME TO MAKE A QUALIFIED INVESTMENT AND BE ELIGIBLE
FOR THE ANGEL INVESTMENT CREDIT; ADDING CERTAIN HEALTH CARE
PROVIDERS TO THE RURAL HEALTH CARE PRACTITIONER TAX CREDIT;
MODIFYING THE REQUIREMENTS FOR RECEIVING THE TAX CREDIT;
REQUIRING REPORTING OF THE TAX CREDIT; LIMITING THE CAPITAL
GAINS DEDUCTION PURSUANT TO THE INCOME TAX ACT; CREATING THE
HOME FIRE RECOVERY INCOME TAX CREDIT; CREATING A FLAT
CORPORATE INCOME TAX RATE; CREATING A GROSS RECEIPTS TAX
DEDUCTION FOR ENVIRONMENTAL MODIFICATION SERVICES MADE TO THE
HOMES OF MEDICAID RECIPIENTS; CREATING GROSS RECEIPTS TAX
DEDUCTIONS FOR THE SALE OF CHILD CARE ASSISTANCE THROUGH A
LICENSED CHILD CARE ASSISTANCE PROGRAM AND PRE-KINDERGARTEN
SERVICES BY FOR-PROFIT PRE-KINDERGARTEN PROVIDERS; PROVIDING
A GROSS RECEIPTS TAX DEDUCTION FOR SALES OF ENERGY STORAGE
EQUIPMENT TO A GOVERNMENT FOR THE PURPOSE OF INSTALLING AN
ENERGY STORAGE FACILITY; INCREASING THE AMOUNT OF THE SPECIAL
NEEDS ADOPTED CHILD TAX CREDIT; PROVIDING AN INCOME TAX

1 DEDUCTION FOR SCHOOL SUPPLIES PURCHASED BY A PUBLIC SCHOOL
2 TEACHER; EXTENDING THE GEOTHERMAL GROUND-COUPLED HEAT PUMP
3 TAX CREDITS PURSUANT TO THE INCOME TAX ACT AND THE CORPORATE
4 INCOME AND FRANCHISE TAX ACT, INCREASING THE ANNUAL AGGREGATE
5 CAP FOR EACH CREDIT, MAKING THE CREDIT REFUNDABLE AND
6 AMENDING THE DEFINITION OF "GEOTHERMAL GROUND-COUPLED HEAT
7 PUMP"; CREATING THE CLEAN CAR INCOME TAX CREDIT, THE CLEAN
8 CAR CHARGING UNIT INCOME TAX CREDIT, THE CLEAN CAR CORPORATE
9 INCOME TAX CREDIT AND THE CLEAN CAR CHARGING UNIT CORPORATE
10 INCOME TAX CREDIT; REMOVING A SUNSET DATE TO ALLOW A TAXPAYER
11 ENGAGED IN CERTAIN ELECTRICITY GENERATION TO APPORTION
12 BUSINESS INCOME BY THE SINGLE SALES FACTOR PERMANENTLY;
13 REQUIRING CERTAIN RECEIPTS FOR SERVICES PROVIDED BY A HEALTH
14 CARE PRACTITIONER THAT ARE DEDUCTIBLE FROM GROSS RECEIPTS TO
15 BE WITHIN THE SCOPE OF PRACTICE OF THE PRACTITIONER AND
16 DEFINING "COPAYMENT" IN THE DEDUCTION; CREATING A GROSS
17 RECEIPTS TAX CREDIT FOR LEGAL SERVICES FOR WILDFIRE
18 COMPENSATION RECOVERY; CREATING A GROSS RECEIPTS TAX CREDIT
19 FOR DYED DIESEL USED FOR AGRICULTURAL PURPOSES; ~~PROVIDING AN~~
20 ~~OIL AND GAS SEVERANCE TAX EXEMPTION FOR THE SEVERANCE OF OIL~~
21 ~~AND NATURAL GAS FROM A PRODUCTION COMPLIANCE PROJECT~~
22 ~~COMPLETED TO COMPLY WITH CERTAIN AGENCY RULES;~~ REMOVING THE
23 SUNSET DATE OF AN INCOME TAX EXEMPTION FOR ARMED FORCES
24 RETIREMENT PAY AND EXTENDING THE EXEMPTION TO THE SURVIVING
25 SPOUSE OF AN ARMED FORCES RETIREE; CREATING THE GEOTHERMAL

1 ELECTRICITY GENERATION INCOME TAX CREDIT AND THE GEOTHERMAL
2 ELECTRICITY GENERATION CORPORATE INCOME TAX CREDIT; CREATING
3 THE ADVANCED ENERGY EQUIPMENT INCOME TAX CREDIT AND THE
4 ADVANCED ENERGY EQUIPMENT CORPORATE INCOME TAX CREDIT;
5 RESTORING CERTAIN INCOME IN THE AMOUNT OF INCOME USED TO
6 DETERMINE CORPORATE INCOME TAX LIABILITY, CLARIFYING AN
7 AMOUNT OF CERTAIN INTANGIBLE INCOME USED TO DETERMINE THAT
8 LIABILITY AND INCLUDING CORPORATIONS THAT HAVE TWENTY PERCENT
9 OR MORE OF THEIR PROPERTY, PAYROLL AND SALES SOURCED TO
10 LOCATIONS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR
11 TERRITORIES IN A WATER'S EDGE GROUP; AMENDING OWNERSHIP
12 ELIGIBILITY REQUIREMENTS FOR THE NEW SOLAR MARKET DEVELOPMENT
13 INCOME TAX CREDIT AND INCREASING THE ANNUAL AGGREGATE AMOUNT
14 OF CREDITS THAT MAY BE CERTIFIED IN CERTAIN CALENDAR YEARS;
15 CREATING GROSS RECEIPTS TAX AND COMPENSATING TAX DEDUCTIONS
16 FOR GEOTHERMAL ELECTRICITY GENERATION FACILITY CONSTRUCTION
17 COSTS; PROVIDING DELAYED REPEALS.

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

20 SECTION 1. Section 3-32-1 NMSA 1978 (being Laws 1965,
21 Chapter 300, Section 14-31-1, as amended) is amended to read:

22 "3-32-1. INDUSTRIAL REVENUE BOND ACT--DEFINITIONS.--
23 Wherever used in the Industrial Revenue Bond Act unless a
24 different meaning clearly appears in the context, the
25 following terms whether used in the singular or plural shall

1 be given the following respective interpretations:

2 A. "municipality" means a city, town or village in
3 New Mexico;

4 B. "project" means any land and building or other
5 improvements thereon, the acquisition by or for a New Mexico
6 corporation of the assets or stock of an existing business or
7 corporation located outside the state to be relocated within
8 or near the municipality in the state and all real and
9 personal properties deemed necessary in connection therewith,
10 whether or not now in existence, which shall be suitable for
11 use by the following or by any combination of two or more
12 thereof:

13 (1) an industry for the manufacturing,
14 processing or assembling of agricultural or manufactured
15 products;

16 (2) a commercial enterprise in storing,
17 warehousing, distributing or selling products of agriculture,
18 mining or industry but does not include a facility designed
19 for the sale of goods or commodities at retail or
20 distribution to the public of electricity, gas, water or
21 telephone or other services commonly classified as public
22 utilities;

23 (3) a business in which all or part of the
24 activities of the business involve the supplying of services
25 to the general public or to governmental agencies or to a

1 specific industry or customer but does not include an
2 establishment primarily engaged in the sale of goods or
3 commodities at retail;

4 (4) a water distribution or irrigation
5 system, including without limitation, pumps, distribution
6 lines, transmission lines, towers, dams and similar
7 facilities and equipment, designed to provide water to a
8 vineyard or winery;

9 (5) an electric generation or transmission
10 facility, other than one for which both location approval and
11 a certificate of convenience and necessity are required prior
12 to commencing construction or operation of the facility,
13 pursuant to the Public Utility Act;

14 (6) an energy storage facility, which is a
15 facility that uses mechanical, chemical, thermal, kinetic or
16 other processes to store energy for release at a later time
17 to integrate energy supply associated with renewable
18 generation across the electric grid; and

19 (7) a 501(c)(3) corporation;

20 C. "governing body" means the board or body in
21 which the legislative powers of the municipality are vested;

22 D. "property" means any land, improvements
23 thereon, buildings and any improvements thereto, machinery
24 and equipment of any and all kinds necessary to the project,
25 operating capital and any other personal properties deemed

1 necessary in connection with the project;

2 E. "mortgage" means a mortgage or a mortgage and
3 deed of trust or the pledge and hypothecation of any assets
4 as collateral security;

5 F. "health care service" means the diagnosis or
6 treatment of sick or injured persons or medical research and
7 includes the ownership, operation, maintenance, leasing and
8 disposition of health care facilities such as hospitals,
9 clinics, laboratories, x-ray centers and pharmacies and, for
10 any small municipality only, office facilities for
11 physicians;

12 G. "refinance a hospital or 501(c)(3) corporation
13 project" means the issuance of bonds by a municipality and
14 the use of all or substantially all of the proceeds to
15 liquidate any obligations previously incurred to finance or
16 aid in financing a project of a nonprofit corporation engaged
17 in health care services, including nursing homes, or of a
18 501(c)(3) corporation, which would constitute a project under
19 the Industrial Revenue Bond Act had it been originally
20 undertaken and financed by a municipality pursuant to the
21 Industrial Revenue Bond Act; and

22 H. "501(c)(3) corporation" means a corporation
23 that demonstrates to the taxation and revenue department that
24 it has been granted exemption from the federal income tax as
25 an organization described in Section 501(c)(3) of the

1 Internal Revenue Code of 1986, as amended or renumbered."

2 SECTION 2. Section 3-32-6 NMSA 1978 (being Laws 1965,
3 Chapter 300, Section 14-31-3, as amended) is amended to read:

4 "3-32-6. ADDITIONAL POWERS CONFERRED ON
5 MUNICIPALITIES.--In addition to any other powers that it may
6 now have, a municipality shall have the following powers:

7 A. to acquire, whether by construction, purchase,
8 gift or lease, one or more projects that shall be located
9 within this state and may be located within or without the
10 municipality or partially within or partially without the
11 municipality, but which shall not be located more than
12 fifteen miles outside of the corporate limits of the
13 municipality; provided that:

14 (1) urban transit buses qualifying as a
15 project pursuant to Subsection B of Section 3-32-3 NMSA 1978
16 need not be continuously located within this state, but the
17 commercial enterprise using the urban transit buses for
18 leasing shall meet the location requirement of this
19 subsection; and

20 (2) a municipality shall not acquire any
21 electricity generation facility, transmission facility or
22 energy storage facility project unless the school districts
23 within the municipality in which the project is located
24 receive annual in-lieu tax payments; provided that the annual
25 in-lieu tax payments required by this paragraph shall be:

1 (a) payable to the school districts for
2 the period the municipality owns and leases the project;

3 (b) in an aggregate amount equal to the
4 amount received by the municipality multiplied by the
5 percentage determined by dividing the average of mills
6 imposed by the school districts within the municipality plus
7 state debt service mills as of the date of issuance of the
8 bonds by the average of the mills imposed by all entities
9 levying taxes on property in the municipality as of such
10 date;

11 (c) divided among the school districts
12 located within the municipality, if there is more than one
13 school district in such municipality, and the in-lieu payment
14 shall be allocated as follows: 1) fifty percent allocated
15 equally among all school districts in which the project is
16 located; 2) forty percent allocated to the school districts
17 within the municipality in proportion to the area of each
18 school district within the municipality; and 3) ten percent
19 allocated to the school districts in proportion to the
20 average of each school district's student membership pursuant
21 to the Public School Code reported on the second and third
22 reporting dates for the most recent school year for which
23 data is available as of the date of issuance of the bonds;
24 and

25 (d) for each individual school district

1 located within the municipality, no less than the amount due
2 to the school district in the tax year immediately preceding
3 the issuance of the bonds from the property included in a
4 project, had such project not been created;

5 B. to sell or lease or otherwise dispose of any or
6 all of its projects upon such terms and conditions as the
7 governing body may deem advisable and as shall not conflict
8 with the provisions of the Industrial Revenue Bond Act;

9 C. to issue revenue bonds for the purpose of
10 defraying the cost of acquiring by construction and purchase,
11 or either, any project and to secure the payment of such
12 bonds, all as provided in the Industrial Revenue Bond Act.

13 No municipality shall have the power to operate any project
14 as a business or in any manner except as lessor;

15 D. to refinance one or more hospital or 501(c)(3)
16 corporation projects and to acquire any such hospital or
17 501(c)(3) corporation project whether by construction,
18 purchase, gift or lease, which hospital or 501(c)(3)
19 corporation project shall be located within this state and
20 may be located within or without the municipality or
21 partially within or partially without the municipality, but
22 which shall not be located more than fifteen miles outside of
23 the corporate limits of the municipality, and to issue
24 revenue bonds to refinance and acquire a hospital or
25 501(c)(3) corporation project and to secure the payment of

1 such bonds, all as provided in the Industrial Revenue Bond
2 Act. A municipality shall not have the power to operate a
3 hospital or 501(c)(3) corporation project as a business or in
4 any manner except as lessor; and

5 E. to refinance one or more projects of any
6 private institution of higher education and to acquire any
7 such project, whether by construction, purchase, gift or
8 lease; provided that the project shall be located within this
9 state and may be located within or without the municipality
10 or partially within or partially without the municipality,
11 but the project shall not be located more than fifteen miles
12 outside of the corporate limits of the municipality, and to
13 issue revenue bonds to refinance and acquire any project of
14 any private institution of higher education and to secure the
15 payment of such bonds. A municipality shall not have the
16 power to operate a project of a private institution of higher
17 education as a business or in any manner except as lessor."

18 SECTION 3. Section 4-59-2 NMSA 1978 (being Laws 1975,
19 Chapter 286, Section 2, as amended) is amended to read:

20 "4-59-2. DEFINITIONS.--As used in the County Industrial
21 Revenue Bond Act, unless the context clearly indicates
22 otherwise:

23 A. "commission" means the governing body of a
24 county;

25 B. "county" means a county organized or

1 incorporated in New Mexico;

2 C. "501(c)(3) corporation" means a corporation
3 that demonstrates to the taxation and revenue department that
4 it has been granted exemption from the federal income tax as
5 an organization described in Section 501(c)(3) of the
6 Internal Revenue Code of 1986, as amended or renumbered;

7 D. "health care service" means the diagnosis or
8 treatment of sick or injured persons or medical research and
9 includes the ownership, operation, maintenance, leasing and
10 disposition of health care facilities, such as hospitals,
11 clinics, laboratories, x-ray centers and pharmacies;

12 E. "mortgage" means a mortgage or a mortgage and
13 deed of trust or the pledge and hypothecation of any assets
14 as collateral security;

15 F. "project" means any land and building or other
16 improvements thereon, the acquisition by or for a New Mexico
17 corporation of the assets or stock of an existing business or
18 corporation located outside the state to be relocated within
19 a county but, except as provided in Paragraph (1) of
20 Subsection A of Section 4-59-4 NMSA 1978, not within the
21 boundaries of any incorporated municipality in the state, and
22 all real and personal properties deemed necessary in
23 connection therewith, whether or not now in existence, that
24 shall be suitable for use by the following or by any
25 combination of two or more thereof:

1 (1) an industry for the manufacturing,
2 processing or assembling of agricultural or manufactured
3 products;

4 (2) a commercial enterprise that has
5 received a permit from the energy, minerals and natural
6 resources department for a mine that has not been in
7 operation prior to the issuance of bonds for the project for
8 which the enterprise will be involved;

9 (3) a commercial enterprise that has
10 received any necessary state permit for a refinery, treatment
11 plant or processing plant of energy products that was not in
12 operation prior to the issuance of bonds for the project for
13 which the enterprise will be involved;

14 (4) a commercial enterprise in storing,
15 warehousing, distributing or selling products of agriculture,
16 mining or industry, but does not include a facility designed
17 for the sale or distribution to the public of electricity,
18 gas, telephone or other services commonly classified as
19 public utilities, except for:

20 (a) water utilities;

21 (b) an electric generation or
22 transmission facility, other than one for which both location
23 approval and a certificate of convenience and necessity are
24 required prior to commencing construction or operation of the
25 facility, pursuant to the Public Utility Act; and

1 (c) an energy storage facility, which
2 is a facility that uses mechanical, chemical, thermal,
3 kinetic or other processes to store energy for release at a
4 later time to integrate energy supply associated with
5 renewable generation across the electric grid;

6 (5) a business in which all or part of the
7 activities of the business involve the supplying of services
8 to the general public or to governmental agencies or to a
9 specific industry or customer;

10 (6) a nonprofit corporation engaged in
11 health care services;

12 (7) a mass transit or other transportation
13 activity involving the movement of passengers, an industrial
14 park, an office headquarters and a research facility;

15 (8) a water distribution or irrigation
16 system, including without limitation, pumps, distribution
17 lines, transmission lines, towers, dams and similar
18 facilities and equipment; and

19 (9) a 501(c)(3) corporation; and

20 G. "property" means any land, improvements
21 thereon, buildings and any improvements thereto, machinery
22 and equipment of any and all kinds necessary to the project,
23 operating capital and any other personal properties deemed
24 necessary in connection with the project."

25 **SECTION 4.** Section 4-59-4 NMSA 1978 (being Laws 1975,

1 Chapter 286, Section 4, as amended) is amended to read:

2 "4-59-4. ADDITIONAL POWERS CONFERRED ON COUNTIES.--In
3 addition to any other powers that it may now have, each
4 county shall have the following powers:

5 A. to acquire, whether by construction, purchase,
6 gift or lease, one or more projects, which shall be located
7 within this state and shall be located within the county
8 outside the boundaries of any incorporated municipality;
9 provided, however, that:

10 (1) a class A county with a population of
11 more than three hundred thousand may acquire projects located
12 anywhere in the county; and

13 (2) a county shall not acquire any
14 electricity generation facility, transmission facility or
15 energy storage facility project unless the school districts
16 within the county in which the project is located receive
17 annual in-lieu tax payments; provided that the annual in-lieu
18 tax payments required by this paragraph shall be:

19 (a) payable to the school districts for
20 the period the county owns and leases the project;

21 (b) in an aggregate amount equal to the
22 amount received by the county multiplied by the percentage
23 determined by dividing the average of all of the mills
24 imposed by the school districts in the county, including the
25 operating, capital improvement, building improvement,

1 education technology and bond mills imposed by the school
2 districts in the county plus state debt service mills as of
3 the date of issuance of the bonds by the average of the mills
4 imposed by all entities levying taxes on property in the
5 county as of such date;

6 (c) divided among the school districts
7 located within the county, and if there is more than one
8 school district in such county, the in-lieu payment shall be
9 allocated as follows: 1) fifty percent allocated equally
10 among all school districts in which the project is located;
11 2) forty percent allocated to the school districts within the
12 county in proportion to the area of each school district
13 within the county; and 3) ten percent allocated to the school
14 districts in proportion to the average of each school
15 district's student membership pursuant to the Public School
16 Code reported on the second and third reporting dates for the
17 most recent school year for which data is available as of the
18 date of issuance of the bonds; and

19 (d) for each individual school district
20 located within the county, no less than the amount due to the
21 school district in the tax year immediately preceding the
22 issuance of the bonds from the property included in a
23 project, had such project not been created;

24 B. to sell or lease or otherwise dispose of any or
25 all of its projects upon such terms and conditions as the

1 commission may deem advisable and as shall not conflict with
2 the provisions of the County Industrial Revenue Bond Act; and

3 C. to issue revenue bonds for the purpose of
4 defraying the cost of acquiring, by construction and purchase
5 or either, any project and to secure the payment of such
6 bonds, all as provided in the County Industrial Revenue Bond
7 Act. No county shall have the power to operate any project
8 as a business or in any manner except as lessor thereof."

9 SECTION 5. Section 7-2-7 NMSA 1978 (being Laws 2005,
10 Chapter 104, Section 4, as amended) is amended to read:

11 "7-2-7. INDIVIDUAL INCOME TAX RATES.--The tax imposed
12 by Section 7-2-3 NMSA 1978 shall be at the following rates
13 for any taxable year beginning on or after January 1, 2025:

14 A. For married individuals filing joint returns,
15 heads of household and surviving spouses:

16 For taxable income:	The tax shall be:
17 Not over \$8,000	1.5% of taxable income
18 Over \$8,000 but not over \$25,000	\$120 plus 3.2% of
19	excess over \$8,000
20 Over \$25,000 but not over \$50,000	\$664 plus 4.3% of
21	excess over \$25,000
22 Over \$50,000 but not over \$100,000	\$1,739 plus 4.7% of
23	excess over \$50,000
24 Over \$100,000 but not over \$315,000	\$4,089 plus 4.9% of
25	excess over \$100,000

1 Over \$315,000 \$14,624 plus 5.9% of
2 excess over \$315,000.

3 B. For single individuals and for estates and
4 trusts:

5 For taxable income:	The tax shall be:
6 Not over \$5,500	1.5% of taxable income
7 Over \$5,500 but not over \$16,500	\$82.50 plus 3.2% of
8	excess over \$5,500
9 Over \$16,500 but not over \$33,500	\$434.50 plus 4.3% of
10	excess over \$16,500
11 Over \$33,500 but not over \$66,500	\$1,165.50 plus 4.7% of
12	excess over \$33,500
13 Over \$66,500 but not over \$210,000	\$2,716.50 plus 4.9% of
14	excess over \$66,500
15 Over \$210,000	\$9,748 plus 5.9% of
16	excess over \$210,000.

17 C. For married individuals filing separate
18 returns:

19 For taxable income:	The tax shall be:
20 Not over \$4,000	1.5% of taxable income
21 Over \$4,000 but not over \$12,500	\$60.00 plus 3.2% of
22	excess over \$4,000
23 Over \$12,500 but not over \$25,000	\$332 plus 4.3% of
24	excess over \$12,500
25 Over \$25,000 but not over \$50,000	\$869.50 plus 4.7% of

1		excess over \$25,000
2	Over \$50,000 but not over \$157,500	\$2,044.50 plus 4.9% of
3		excess over \$50,000
4	Over \$157,500	\$7,312 plus 5.9% of
5		excess over \$157,500.

6 D. The tax on the sum of any lump-sum amounts
7 included in net income is an amount equal to five multiplied
8 by the difference between:

9 (1) the amount of tax due on the taxpayer's
10 taxable income; and

11 (2) the amount of tax that would be due on
12 an amount equal to the taxpayer's taxable income and twenty
13 percent of the taxpayer's lump-sum amounts included in net
14 income."

15 SECTION 6. Section 7-2-18.17 NMSA 1978 (being Laws
16 2007, Chapter 172, Section 1, as amended) is amended to read:

17 "7-2-18.17. ANGEL INVESTMENT CREDIT.--

18 A. A taxpayer who files a New Mexico income tax
19 return, is not a dependent of another taxpayer, is an
20 accredited investor and makes a qualified investment may
21 apply for, and the department may allow, a claim for a credit
22 in an amount not to exceed twenty-five percent of the
23 qualified investment; provided that a credit for each
24 qualified investment shall not exceed sixty-two thousand five
25 hundred dollars (\$62,500). The tax credit provided in this

1 section shall be known as the "angel investment credit".

2 B. A taxpayer may claim the angel investment
3 credit:

4 (1) for not more than one qualified
5 investment per investment round;

6 (2) for qualified investments in no more
7 than five qualified businesses per taxable year; and

8 (3) for a qualified investment made on or
9 before December 31, 2030.

10 C. A taxpayer may apply for an angel investment
11 credit by submitting a completed application to the
12 department on forms and in a manner required by the
13 department no later than one year following the end of the
14 calendar year in which the qualified investment is made. A
15 taxpayer shall not apply for more than one credit for the
16 same qualified investment in the same investment round.

17 D. Except as provided in Subsection J of this
18 section, a taxpayer shall claim the angel investment credit
19 no later than one year following the date the completed
20 application for the credit is approved by the department.

21 E. Applications and all subsequent materials
22 submitted to the department related to the application shall
23 also be submitted to the economic development department.

24 F. The department shall allow a maximum annual
25 aggregate of two million dollars (\$2,000,000) in angel

1 investment credits per calendar year. Completed applications
2 shall be considered in the order received. Applications for
3 credits that would have been allowed but for the limit
4 imposed by this subsection shall be allowed in subsequent
5 calendar years.

6 G. The department shall report annually to the
7 revenue stabilization and tax policy committee and the
8 legislative finance committee on the utilization and
9 effectiveness of the angel investment credit. The report
10 shall include, at a minimum: the number of accredited
11 investors determined to be eligible for the credit in the
12 previous year; the names of those investors; the amount of
13 credit for which each investor was determined to be eligible;
14 and the number and names of the businesses determined to be
15 qualified businesses for purposes of an investment by an
16 accredited investor.

17 H. A taxpayer who otherwise qualifies for and
18 claims a credit pursuant to this section for a qualified
19 investment made by a partnership or other business
20 association of which the taxpayer is a member may claim a
21 credit only in proportion to the taxpayer's interest in the
22 partnership or business association.

23 I. Married individuals who file separate returns
24 for a taxable year in which they could have filed a joint
25 return may each claim one-half of the credit that would have

1 been allowed on a joint return.

2 J. The angel investment credit may only be
3 deducted from the taxpayer's income tax liability. Any
4 portion of the tax credit provided by this section that
5 remains unused at the end of the taxpayer's taxable year may
6 be carried forward for five consecutive years.

7 K. As used in this section:

8 (1) "accredited investor" means a person who
9 is an accredited investor within the meaning of Rule 501
10 issued by the federal securities and exchange commission
11 pursuant to the federal Securities Act of 1933, as amended;

12 (2) "business" means a corporation, general
13 partnership, limited partnership, limited liability company
14 or other similar entity, but excludes an entity that is a
15 government or a nonprofit organization designated as such by
16 the federal government or any state;

17 (3) "equity" means common or preferred stock
18 of a corporation, a partnership interest in a limited
19 partnership or a membership interest in a limited liability
20 company, including debt subject to an option in favor of the
21 creditor to convert the debt into common or preferred stock,
22 a partnership interest or a membership interest;

23 (4) "investment round" means an offer and
24 sale of securities and all other offers and sales of
25 securities that would be integrated with such offer and sale

1 of securities under Regulation D issued by the federal
2 securities and exchange commission pursuant to the federal
3 Securities Act of 1933, as amended;

4 (5) "manufacturing" means combining or
5 processing components or materials to increase their value
6 for sale in the ordinary course of business, but does not
7 include:

8 (a) construction;

9 (b) farming;

10 (c) processing natural resources,
11 including hydrocarbons; or

12 (d) preparing meals for immediate
13 consumption, on- or off-premises;

14 (6) "qualified business" means a business
15 that:

16 (a) maintains its principal place of
17 business and employs a majority of its full-time employees,
18 if any, in New Mexico and a majority of its tangible assets,
19 if any, are located in New Mexico;

20 (b) engages in qualified research or
21 manufacturing activities in New Mexico;

22 (c) is not primarily engaged in or is
23 not primarily organized as any of the following types of
24 businesses: credit or finance services, including banks,
25 savings and loan associations, credit unions, small loan

1 companies or title loan companies; financial brokering or
2 investment; professional services, including accounting,
3 legal services, engineering and any other service the
4 practice of which requires a license; insurance; real estate;
5 construction or construction contracting; consulting or
6 brokering; mining; wholesale or retail trade; providing
7 utility service, including water, sewerage, electricity,
8 natural gas, propane or butane; publishing, including
9 publishing newspapers or other periodicals; broadcasting; or
10 providing internet operating services;

11 (d) has not issued securities
12 registered pursuant to Section 6 of the federal Securities
13 Act of 1933, as amended; has not issued securities traded on
14 a national securities exchange; is not subject to reporting
15 requirements of the federal Securities Exchange Act of 1934,
16 as amended; and is not registered pursuant to the federal
17 Investment Company Act of 1940, as amended, at the time of
18 the investment;

19 (e) has one hundred or fewer employees
20 calculated on a full-time-equivalent basis in the taxable
21 year in which the investment was made; and

22 (f) has not had gross revenues in
23 excess of five million dollars (\$5,000,000) in any fiscal
24 year ending on or before the date of the investment;

25 (7) "qualified investment" means a cash

1 investment in a qualified business for equity, but does not
2 include an investment by a taxpayer if the taxpayer, a member
3 of the taxpayer's immediate family or an entity affiliated
4 with the taxpayer receives compensation from the qualified
5 business in exchange for services provided to the qualified
6 business within one year of investment in the qualified
7 business; and

8 (8) "qualified research" means "qualified
9 research" as defined by Section 41 of the Internal Revenue
10 Code."

11 SECTION 7. Section 7-2-18.22 NMSA 1978 (being Laws
12 2007, Chapter 361, Section 2) is amended to read:

13 "7-2-18.22. RURAL HEALTH CARE PRACTITIONER TAX
14 CREDIT.--

15 A. A taxpayer who files an individual New Mexico
16 tax return, who is not a dependent of another individual, who
17 is an eligible health care practitioner and who has provided
18 health care services in New Mexico in a rural health care
19 underserved area in a taxable year may claim a credit against
20 the tax liability imposed by the Income Tax Act. The credit
21 provided in this section may be referred to as the "rural
22 health care practitioner tax credit".

23 B. The rural health care practitioner tax credit
24 may be claimed and allowed in an amount that shall not
25 exceed:

1 (1) five thousand dollars (\$5,000) for all
2 physicians, osteopathic physicians, dentists, psychologists,
3 podiatric physicians and optometrists who qualify pursuant to
4 the provisions of this section and have provided health care
5 during a taxable year for at least one thousand five hundred
6 eighty-four hours at a practice site located in an approved
7 rural health care underserved area. Eligible health care
8 practitioners listed in this paragraph who provided health
9 care services for at least seven hundred ninety-two hours but
10 less than one thousand five hundred eighty-four hours at a
11 practice site located in an approved rural health care
12 underserved area during a taxable year are eligible for one-
13 half of the tax credit amount; and

14 (2) three thousand dollars (\$3,000) for all
15 pharmacists, dental hygienists, physician assistants,
16 certified registered nurse anesthetists, certified nurse
17 practitioners, clinical nurse specialists, registered nurses,
18 midwives, licensed clinical social workers, licensed
19 independent social workers, professional mental health
20 counselors, professional clinical mental health counselors,
21 marriage and family therapists, professional art therapists,
22 alcohol and drug abuse counselors and physical therapists who
23 qualify pursuant to the provisions of this section and have
24 provided health care during a taxable year for at least one
25 thousand five hundred eighty-four hours at a practice site

1 located in an approved rural health care underserved area.
2 Eligible health care practitioners listed in this paragraph
3 who provided health care services for at least seven hundred
4 ninety-two hours but less than one thousand five hundred
5 eighty-four hours at a practice site located in an approved
6 rural health care underserved area during a taxable year are
7 eligible for one-half of the tax credit amount.

8 C. Before an eligible health care practitioner may
9 claim the rural health care practitioner tax credit, the
10 practitioner shall submit an application to the department of
11 health that describes the practitioner's clinical practice
12 and contains additional information that the department of
13 health may require. The department of health shall determine
14 whether an eligible health care practitioner qualifies for
15 the rural health care practitioner tax credit and shall issue
16 a certificate to each qualifying eligible health care
17 practitioner. The department of health shall provide the
18 taxation and revenue department appropriate information for
19 all eligible health care practitioners to whom certificates
20 are issued in a secure manner on regular intervals agreed
21 upon by both the taxation and revenue department and the
22 department of health.

23 D. A taxpayer claiming the credit provided by this
24 section shall submit a copy of the certificate issued by the
25 department of health with the taxpayer's New Mexico income

1 tax return for the taxable year. If the amount of the credit
2 claimed exceeds a taxpayer's tax liability for the taxable
3 year in which the credit is being claimed, the excess may be
4 carried forward for three consecutive taxable years.

5 E. A taxpayer allowed a tax credit pursuant to
6 this section shall report the amount of the credit to the
7 department in a manner required by the department.

8 F. The department shall compile an annual report
9 on the tax credit provided by this section that shall include
10 the number of taxpayers approved by the department to receive
11 the credit, the aggregate amount of credits approved and any
12 other information necessary to evaluate the credit. The
13 department shall present the report to the revenue
14 stabilization and tax policy committee and the legislative
15 finance committee with an analysis of the cost of the tax
16 credit.

17 G. As used in this section:

18 (1) "eligible health care practitioner"
19 means:

20 (a) a dentist or dental hygienist
21 licensed pursuant to the Dental Health Care Act;

22 (b) a midwife that is a: 1) certified
23 nurse-midwife licensed by the board of nursing as a
24 registered nurse and licensed by the public health division
25 of the department of health to practice nurse-midwifery as a

1 certified nurse-midwife; or 2) licensed midwife licensed by
2 the public health division of the department of health to
3 practice licensed midwifery;

4 (c) an optometrist licensed pursuant to
5 the provisions of the Optometry Act;

6 (d) an osteopathic physician licensed
7 pursuant to the provisions of the Medical Practice Act;

8 (e) a physician licensed pursuant to
9 the provisions of the Medical Practice Act or a physician
10 assistant licensed pursuant to the provisions of the
11 Physician Assistant Act;

12 (f) a podiatric physician licensed
13 pursuant to the provisions of the Podiatry Act;

14 (g) a psychologist licensed pursuant to
15 the provisions of the Professional Psychologist Act;

16 (h) a registered nurse licensed
17 pursuant to the provisions of the Nursing Practice Act;

18 (i) a pharmacist licensed pursuant to
19 the provisions of the Pharmacy Act;

20 (j) a licensed clinical social worker
21 or a licensed independent social worker licensed pursuant to
22 the provisions of the Social Work Practice Act;

23 (k) a professional mental health
24 counselor, a professional clinical mental health counselor, a
25 marriage and family therapist, an alcohol and drug abuse

1 counselor or a professional art therapist licensed pursuant
2 to the provisions of the Counseling and Therapy Practice Act;
3 and

4 (1) a physical therapist licensed
5 pursuant to the provisions of the Physical Therapy Act;

6 (2) "health care underserved area" means a
7 geographic area or practice location in which it has been
8 determined by the department of health, through the use of
9 indices and other standards set by the department of health,
10 that sufficient health care services are not being provided;

11 (3) "practice site" means a private
12 practice, public health clinic, hospital, public or private
13 nonprofit primary care clinic or other health care service
14 location in a health care underserved area; and

15 (4) "rural" means a rural county or an
16 unincorporated area of a partially rural county, as
17 designated by the health resources and services
18 administration of the United States department of health and
19 human services."

20 **SECTION 8.** Section 7-2-34 NMSA 1978 (being Laws 1999,
21 Chapter 205, Section 1, as amended) is amended to read:

22 "7-2-34. DEDUCTION--NET CAPITAL GAIN INCOME.--

23 A. A taxpayer may claim a deduction from net
24 income in an amount equal to the greater of:

25 (1) the taxpayer's net capital gain income

1 for the taxable year for which the deduction is being
2 claimed, but not to exceed two thousand five hundred dollars
3 (\$2,500); or

4 (2) forty percent of up to one million
5 dollars (\$1,000,000) of the taxpayer's net capital gain
6 income from the sale of a business that is allocated or
7 apportioned to New Mexico pursuant to Section 7-2-11 NMSA
8 1978 for the taxable year for which the deduction is being
9 claimed.

10 B. Married individuals who file separate returns
11 for a taxable year in which they could have filed a joint
12 return may each claim only one-half of the deduction provided
13 by this section that would have been allowed on the joint
14 return.

15 C. As used in this section, "net capital gain"
16 means "net capital gain" as defined in Section 1222 (11) of
17 the Internal Revenue Code."

18 **SECTION 9.** A new section of the Income Tax Act is
19 enacted to read:

20 "HOME FIRE RECOVERY INCOME TAX CREDIT.--

21 A. A taxpayer who is not a dependent of another
22 individual and who, beginning on the effective date of this
23 section and prior to January 1, 2030, incurs qualified home
24 expenditures for a home in New Mexico to replace a prior home
25 of the taxpayer that was destroyed by a wildfire in calendar

1 years 2021 through 2023 may claim a tax credit against the
2 taxpayer's tax liability imposed pursuant to the Income Tax
3 Act in an amount equal to the qualified home expenditures
4 incurred by the taxpayer not to exceed fifty thousand dollars
5 (\$50,000) per home. The tax credit provided by this section
6 may be referred to as the "home fire recovery income tax
7 credit".

8 B. A taxpayer who seeks to claim the tax credit
9 shall apply for certification of eligibility from the
10 construction industries division of the regulation and
11 licensing department on forms and in a manner prescribed by
12 that division. The aggregate amount of credits that may be
13 certified as eligible in any calendar year is five million
14 dollars (\$5,000,000). An application for certification shall
15 be made no later than twelve months after the calendar year
16 in which construction of the home is completed. Completed
17 applications shall be considered in the order received. If a
18 taxpayer submits an application for the tax credit and the
19 aggregate amount of certifications has been met for the
20 calendar year, the application shall be placed at the front
21 of a queue for certification in a subsequent calendar year.
22 Except as otherwise provided in Subsections F and G of this
23 section, only one tax credit shall be certified per taxpayer.

24 C. An application for certification of
25 eligibility shall include:

1 (1) proof that the taxpayer's prior home
2 was destroyed by wildfire in calendar years 2021 through
3 2023, including a sworn statement by the taxpayer;

4 (2) proof that the taxpayer incurred
5 expenditures for the construction of a home on the same
6 property of the taxpayer's prior, wildfire-destroyed home,
7 including a contract with a builder or manufacturer;

8 (3) a sworn statement by the taxpayer and
9 the builder or manufacturer of the home that the construction
10 of the home has been completed and stating the date of its
11 completion; and

12 (4) any additional information the
13 construction industries division of the regulation and
14 licensing department may require to determine eligibility for
15 the tax credit.

16 D. If the construction industries division of the
17 regulation and licensing department determines that the
18 taxpayer meets the requirements of this section, the division
19 shall issue a dated certificate of eligibility to the
20 taxpayer providing the amount of tax credit for which the
21 taxpayer is eligible and the taxable year in which the credit
22 may be claimed. The construction industries division shall
23 provide the department with the certificates of eligibility
24 issued pursuant to this subsection in an electronic format at
25 regularly agreed-upon intervals.

1 E. A taxpayer issued a certificate of eligibility
2 shall claim the tax credit in a manner required by the
3 department within twelve months of being issued the
4 certificate of eligibility.

5 F. That portion of the tax credit that exceeds a
6 taxpayer's tax liability in the taxable year in which the tax
7 credit is claimed shall not be refunded but may be carried
8 forward for a maximum of three consecutive taxable years.

9 G. Married individuals filing separate returns
10 for a taxable year for which they could have filed a joint
11 return may each claim only one-half of the tax credit that
12 would have been claimed on a joint return.

13 H. A taxpayer may be allocated the right to claim
14 the tax credit in proportion to the taxpayer's ownership
15 interest if the taxpayer owns an interest in a business
16 entity that is taxed for federal income tax purposes as a
17 partnership or limited liability company and that business
18 entity has met all of the requirements to be eligible for the
19 credit. The total credit claimed by all members of the
20 partnership or limited liability company shall not exceed the
21 allowable credit pursuant to this section.

22 I. The department shall compile an annual report
23 on the tax credit that shall include the number of taxpayers
24 approved by the department to receive the credit, the
25 aggregate amount of credits approved and any other

1 information necessary to evaluate the credit. The department
2 shall present the report to the revenue stabilization and tax
3 policy committee and the legislative finance committee with
4 an analysis of the cost of the tax credit.

5 J. As used in this section:

6 (1) "home" means a dwelling designed for
7 long-term habitation in which the taxpayer resides for a
8 majority of the year and is:

9 (a) constructed permanently on a
10 taxpayer's property with a foundation and that cannot be
11 moved; or

12 (b) a manufactured home or modular
13 home that is a single-family dwelling with a heated area of
14 at least thirty-six by twenty-four feet and at least eight
15 hundred sixty-four square feet and constructed in a factory
16 to the standards of the United States department of housing
17 and urban development, the National Manufactured Housing
18 Construction and Safety Standards Act of 1974 and the Housing
19 and Urban Development Zone Code 2 or the Uniform Building
20 Code, as amended to the date of the unit's construction, and
21 installed consistent with the Manufactured Housing Act and
22 with the rules made pursuant thereto relating to permanent
23 foundations; and

24 (2) "qualified home expenditures" means
25 gross expenditures for the construction or manufacture of a

1 home on the same property in New Mexico that a taxpayer's
2 prior home was destroyed by a wildfire in calendar years 2021
3 through 2023, less any compensation related to home
4 construction, manufacture or repair costs received pursuant
5 to the federal Hermit's Peak/Calf Canyon Fire Assistance Act
6 or from insurance or other source of compensation."

7 SECTION 10. Section 7-2A-5 NMSA 1978 (being Laws 1981,
8 Chapter 37, Section 38, as amended) is amended to read:

9 "7-2A-5. CORPORATE INCOME TAX RATES.--The corporate
10 income tax imposed on corporations by Section 7-2A-3 NMSA
11 1978 shall be five and nine-tenths percent of taxable
12 income."

13 SECTION 11. Section 7-9-54.3 NMSA 1978 (being Laws
14 2002, Chapter 37, Section 8, as amended by Laws 2010, Chapter
15 77, Section 2 and by Laws 2010, Chapter 78, Section 2) is
16 amended to read:

17 "7-9-54.3. DEDUCTION--GROSS RECEIPTS TAX--WIND AND
18 SOLAR GENERATION EQUIPMENT--ENERGY STORAGE EQUIPMENT--SALES
19 TO GOVERNMENTS.--

20 A. Prior to July 1, 2034, receipts from selling
21 wind generation equipment or solar generation equipment to a
22 government for the purpose of installing a wind or solar
23 electric generation facility may be deducted from gross
24 receipts.

25 B. Prior to July 1, 2034, receipts from selling

1 energy storage equipment or related equipment to a government
2 for the purpose of installing an energy storage facility may
3 be deducted from gross receipts.

4 C. As used in this section:

5 (1) "energy storage equipment" means
6 equipment that is installed for the purpose of storing
7 electric energy in an energy storage facility that uses
8 mechanical, chemical, thermal, kinetic or other processes to
9 store energy for release at a later time to integrate energy
10 supply associated with renewable generation across the
11 electric grid;

12 (2) "government" means the United States or
13 the state or a governmental unit or a subdivision, agency,
14 department or instrumentality of the federal government or
15 the state;

16 (3) "related equipment" means transformers,
17 power conversion equipment, circuit breakers and switching
18 and metering equipment used to connect:

19 (a) a wind or solar electric
20 generation plant to the electric grid; or

21 (b) an energy storage facility to the
22 electric grid or to a wind or solar electric generation
23 plant;

24 (4) "solar generation equipment" means
25 solar thermal energy collection, concentration and heat

1 transfer and conversion equipment; solar tracking hardware
2 and software; photovoltaic panels and inverters; support
3 structures; turbines and associated electrical generating
4 equipment used to generate electricity from solar thermal
5 energy; and related equipment; and

6 (5) "wind generation equipment" means wind
7 generation turbines, blades, nacelles, rotors and supporting
8 structures used to generate electricity from wind and related
9 equipment."

10 SECTION 12. A new section of the Gross Receipts and
11 Compensating Tax Act is enacted to read:

12 "DEDUCTION--GROSS RECEIPTS TAX--ENVIRONMENTAL
13 MODIFICATIONS FOR MEDICAID RECIPIENTS.--

14 A. Prior to July 1, 2034, receipts of an eligible
15 provider for environmental modifications reimbursed by the
16 medical assistance division may be deducted from gross
17 receipts.

18 B. As used in this section:

19 (1) "eligible provider" means a provider
20 who meets requirements of the medical assistance division to
21 provide environmental modifications pursuant to a waiver
22 granted by the federal department of health and human
23 services to provide home and community-based services to
24 recipients;

25 (2) "environmental modifications" include

1 the purchasing and installing of equipment or making physical
2 adaptations to a recipient's residence that are necessary to
3 ensure the health, welfare and safety of the recipient or
4 enhance the recipient's access to the home environment and
5 increase the recipient's ability to act independently;

6 (3) "medicaid" means the medical assistance
7 program established pursuant to Title 19 of the federal
8 Social Security Act and regulations issued pursuant to that
9 act;

10 (4) "medical assistance division" means the
11 medical assistance division of the health care authority
12 department; and

13 (5) "recipient" means a person whom the
14 medical assistance division has determined to be eligible to
15 receive medicaid-related services and who meets the financial
16 and medical level of care criteria to receive medical
17 assistance division services through one of the division's
18 waiver programs granted by the federal department of health
19 and human services."

20 SECTION 13. A new section of the Gross Receipts and
21 Compensating Tax Act is enacted to read:

22 "DEDUCTIONS--GROSS RECEIPTS--CHILD CARE ASSISTANCE
23 THROUGH A LICENSED CHILD CARE ASSISTANCE PROGRAM--PRE-
24 KINDERGARTEN SERVICES BY FOR-PROFIT PRE-KINDERGARTEN
25 PROVIDERS.--

1 A. Receipts from the sale of child care
2 assistance services by a taxpayer pursuant to a contract or
3 grant with the early childhood education and care department
4 to provide such services through a licensed child care
5 assistance program may be deducted from gross receipts.

6 B. Receipts of for-profit pre-kindergarten
7 providers for the sale of pre-kindergarten services pursuant
8 to the Pre-Kindergarten Act may be deducted from gross
9 receipts.

10 C. A taxpayer allowed a deduction pursuant to
11 this section shall report the amount of the deduction
12 separately in a manner required by the department.

13 D. The department shall compile an annual report
14 on the deductions provided by this section that shall include
15 the number of taxpayers that claimed each deduction, the
16 aggregate amount of deductions claimed and any other
17 information necessary to evaluate the effectiveness of the
18 deductions. The department shall present the report to the
19 revenue stabilization and tax policy committee and the
20 legislative finance committee with an analysis of the cost of
21 the deductions.

22 E. As used in this section:

23 (1) "child care assistance" means "child
24 care assistance" or "early childhood care assistance", as
25 those terms are defined in the Early Childhood Care

1 Accountability Act; and

2 (2) "licensed child care assistance
3 program" means "licensed child care program", "licensed early
4 childhood care program" or "licensed exempt child care
5 program", as those terms are defined in the Early Childhood
6 Care Accountability Act."

7 SECTION 14. A new section of the Gross Receipts and
8 Compensating Tax Act is enacted to read:

9 "CREDIT--GROSS RECEIPTS TAX--LEGAL SERVICES FOR
10 WILDFIRE COMPENSATION RECOVERY.--

11 A. A taxpayer who sells legal services to and at
12 the request of a person eligible to receive compensation
13 pursuant to the federal Hermit's Peak/Calf Canyon Fire
14 Assistance Act may claim a tax credit against gross receipts
15 taxes due in an amount equal to the amount of gross receipts
16 tax due on the receipt for the sale; provided that:

17 (1) the legal services are directly related
18 to recovering the compensation;

19 (2) the taxpayer did not pass the amount of
20 gross receipts tax on to the person eligible to receive the
21 federal compensation; and

22 (3) the legal services were sold to a
23 person who states in writing in a manner that the department
24 may require that the person is eligible to receive the
25 federal compensation, the services were directly related to

1 recovering the compensation and the gross receipts tax was
2 not passed on to the person.

3 B. A taxpayer may claim the tax credit for the
4 taxable period in which the legal services are provided. To
5 receive the credit, the taxpayer shall apply to the
6 department on forms and in a manner prescribed by the
7 department. The maximum aggregate amount of tax credits that
8 may be allowed in a fiscal year is five million dollars
9 (\$5,000,000). Completed applications shall be considered in
10 the order received. Applications received after the
11 aggregate amount has been met shall not be approved.

12 C. That portion of the tax credit claimed by a
13 taxpayer that exceeds the taxpayer's gross receipts tax
14 liability in the taxable period in which the credit is
15 claimed shall not be refunded to the taxpayer but may be
16 carried forward for thirty-six consecutive taxable periods.

17 D. As used in this section, "legal services"
18 means services performed by a licensed attorney for a client,
19 regardless of the attorney's form of business entity or
20 whether the services are prepaid, including legal
21 representation before courts or administrative agencies;
22 drafting legal documents, such as contracts or patent
23 applications; legal research; advising and counseling;
24 arbitration; mediation; and notary public and other ancillary
25 legal services performed for a client in conjunction with a

1 licensed attorney. "Legal services" does not include
2 lobbying or government relations services, title insurance
3 agent services, licensing or selling legal software or legal
4 document templates, insurance investigation services or any
5 legal representation involving financial crimes or tax
6 evasion in New Mexico."

7 SECTION 15. A new section of the Gross Receipts and
8 Compensating Tax Act is enacted to read:

9 "CREDIT--GROSS RECEIPTS TAX--SALE OF DYED SPECIAL FUEL
10 USED FOR AGRICULTURAL PURPOSES.--

11 A. Prior to July 1, 2029, a taxpayer who sells
12 special fuel dyed in accordance with federal regulations may
13 claim a tax credit against gross receipts taxes due in an
14 amount equal to the amount of any gross receipts tax due on
15 the receipt for sale; provided that:

16 (1) the taxpayer did not pass the amount of
17 gross receipts tax on to the person purchasing the special
18 fuel; and

19 (2) the special fuel is sold to a person
20 who states in writing in a manner that the department may
21 require that the person will use the special fuel primarily
22 for agricultural purposes and the gross receipts tax was not
23 passed on to the person.

24 B. A taxpayer may claim the tax credit for the
25 taxable period in which the special fuel is sold. To receive

1 the credit, the taxpayer shall apply to the department on
2 forms and in a manner prescribed by the department. The
3 maximum aggregate amount of tax credits that may be allowed
4 in a fiscal year is ten million dollars (\$10,000,000).
5 Completed applications shall be considered in the order
6 received. Applications received after the aggregate amount
7 has been met shall not be approved.

8 C. That portion of the tax credit claimed by a
9 taxpayer that exceeds the taxpayer's gross receipts tax
10 liability in the taxable period in which the credit is
11 claimed shall not be refunded to the taxpayer but may be
12 carried forward for thirty-six consecutive taxable periods."

13 ~~SECTION 16. Section 7-29-4 NMSA 1978 (being Laws 1980,~~
14 ~~Chapter 62, Section 5, as amended) is amended to read:~~

15 ~~"7-29-4. OIL AND GAS SEVERANCE TAX IMPOSED--~~
16 ~~COLLECTION--INTEREST OWNER'S LIABILITY TO STATE--INDIAN~~
17 ~~LIABILITY--EXCLUSIONS.--~~

18 ~~A. There is imposed and shall be collected by the~~
19 ~~department a tax on all products that are severed and sold,~~
20 ~~except as provided in Subsection B of this section. The~~
21 ~~measure of the tax and the rates are:~~

22 ~~(1) on natural gas severed and sold, except~~
23 ~~as provided in Paragraphs (4), (6) and (7) of this~~
24 ~~subsection, three and three-fourths percent of the taxable~~
25 ~~value determined pursuant to Section 7-29-4.1 NMSA 1978;~~

1 ~~(2) on oil and on other liquid hydrocarbons~~
2 ~~removed from natural gas at or near the wellhead, except as~~
3 ~~provided in Paragraphs (3), (5), (8) and (9) of this~~
4 ~~subsection, three and three-fourths percent of taxable value~~
5 ~~determined pursuant to Section 7-29-4.1 NMSA 1978;~~

6 ~~(3) on oil and on other liquid hydrocarbons~~
7 ~~removed from natural gas at or near the wellhead produced~~
8 ~~from a qualified enhanced recovery project, one and seven-~~
9 ~~eighths percent of the taxable value determined pursuant to~~
10 ~~Section 7-29-4.1 NMSA 1978, provided that the annual average~~
11 ~~price of west Texas intermediate crude oil, determined by the~~
12 ~~department by averaging the posted prices in effect on the~~
13 ~~last day of each month of the twelve-month period ending on~~
14 ~~May 31 prior to the fiscal year in which the tax rate is to~~
15 ~~be imposed, was less than twenty-eight dollars (\$28.00) per~~
16 ~~barrel;~~

17 ~~(4) on the natural gas from a well workover~~
18 ~~project that is certified by the oil conservation division of~~
19 ~~the energy, minerals and natural resources department in its~~
20 ~~approval of the well workover project, two and forty-five~~
21 ~~hundredths percent of the taxable value determined pursuant~~
22 ~~to Section 7-29-4.1 NMSA 1978, provided that the annual~~
23 ~~average price of west Texas intermediate crude oil,~~
24 ~~determined by the department by averaging the posted prices~~
25 ~~in effect on the last day of each month of the twelve-month~~

1 ~~period ending on May 31 prior to the fiscal year in which the~~
2 ~~tax rate is to be imposed, was less than twenty-four dollars~~
3 ~~(\$24.00) per barrel;~~

4 ~~(5) on the oil and on other liquid~~
5 ~~hydrocarbons removed from natural gas at or near the wellhead~~
6 ~~from a well workover project that is certified by the oil~~
7 ~~conservation division of the energy, minerals and natural~~
8 ~~resources department in its approval of the well workover~~
9 ~~project, two and forty-five hundredths percent of the taxable~~
10 ~~value determined pursuant to Section 7-29-4.1 NMSA 1978,~~
11 ~~provided that the annual average price of west Texas~~
12 ~~intermediate crude oil, determined by the department by~~
13 ~~averaging the posted prices in effect on the last day of each~~
14 ~~month of the twelve-month period ending on May 31 prior to~~
15 ~~the fiscal year in which the tax rate is to be imposed, was~~
16 ~~less than twenty-four dollars (\$24.00) per barrel;~~

17 ~~(6) on the natural gas from a stripper well~~
18 ~~property, one and seven-eighths percent of the taxable value~~
19 ~~determined pursuant to Section 7-29-4.1 NMSA 1978, provided~~
20 ~~the average annual taxable value of natural gas was equal to~~
21 ~~or less than one dollar fifteen cents (\$1.15) per thousand~~
22 ~~cubic feet in the calendar year preceding July 1 of the~~
23 ~~fiscal year in which the tax rate is to be imposed;~~

24 ~~(7) on the natural gas from a stripper well~~
25 ~~property, two and thirteen-sixteenths percent of the taxable~~

1 value determined pursuant to Section 7-29-4.1 NMSA 1978,
2 provided that the average annual taxable value of natural gas
3 was greater than one dollar fifteen cents (\$1.15) per
4 thousand cubic feet but not more than one dollar thirty-five
5 cents (\$1.35) per thousand cubic feet in the calendar year
6 preceding July 1 of the fiscal year in which the tax rate is
7 to be imposed;

8 (8) on the oil and on other liquid
9 hydrocarbons removed from natural gas at or near the wellhead
10 from a stripper well property, one and seven-eighths percent
11 of the taxable value determined pursuant to Section 7-29-4.1
12 NMSA 1978, provided that the average annual taxable value of
13 oil was equal to or less than fifteen dollars (\$15.00) per
14 barrel in the calendar year preceding July 1 of the fiscal
15 year in which the tax rate is to be imposed;

16 (9) on the oil and on other liquid
17 hydrocarbons removed from natural gas at or near the wellhead
18 from a stripper well property, two and thirteen-sixteenths
19 percent of the taxable value determined pursuant to Section
20 7-29-4.1 NMSA 1978, provided that the average annual taxable
21 value of oil was greater than fifteen dollars (\$15.00) per
22 barrel but not more than eighteen dollars (\$18.00) per barrel
23 in the calendar year preceding July 1 of the fiscal year in
24 which the tax rate is to be imposed; and

25 (10) on carbon dioxide, helium and non-

1 ~~hydrocarbon gases, three and three-fourths percent of the~~
2 ~~taxable value determined pursuant to Section 7-29-4.1 NMSA~~
3 ~~1978.~~

4 ~~B. The tax imposed in Subsection A of this~~
5 ~~section shall not be imposed on:~~

6 ~~(1) natural gas severed and sold from a~~
7 ~~production restoration project during the first ten years of~~
8 ~~production following the restoration of production, provided~~
9 ~~that the annual average price of west Texas intermediate~~
10 ~~crude oil, determined by the department by averaging the~~
11 ~~posted prices in effect on the last day of each month of the~~
12 ~~twelve-month period ending on May 31 prior to each fiscal~~
13 ~~year in which the tax exemption is to be effective, was less~~
14 ~~than twenty-four dollars (\$24.00) per barrel;~~

15 ~~(2) beginning July 1, 2024, natural gas~~
16 ~~severed from a stripper well property and sold from a~~
17 ~~production compliance project during the first ten years of~~
18 ~~production following the completion of the project or until~~
19 ~~the date the total amount of tax that would have been imposed~~
20 ~~but for this subsection equals the cost of the production~~
21 ~~compliance project, whichever occurs first;~~

22 ~~(3) beginning July 1, 2024, oil and other~~
23 ~~liquid hydrocarbons removed from natural gas at or near the~~
24 ~~wellhead from a stripper well property production compliance~~
25 ~~project during the first ten years of production following~~

1 ~~the completion of the project or until the date the total~~
2 ~~amount of tax that would have been imposed but for this~~
3 ~~subsection equals the cost of the production compliance~~
4 ~~project, whichever occurs first; and~~

5 ~~(4) oil and other liquid hydrocarbons~~
6 ~~removed from natural gas at or near the wellhead from a~~
7 ~~production restoration project during the first ten years of~~
8 ~~production following the restoration of production, provided~~
9 ~~that the annual average price of west Texas intermediate~~
10 ~~crude oil, determined by the department by averaging the~~
11 ~~posted prices in effect on the last day of each month of the~~
12 ~~twelve-month period ending on May 31 prior to each fiscal~~
13 ~~year in which the tax exemption is to be effective, was less~~
14 ~~than twenty-four dollars (\$24.00) per barrel.~~

15 ~~G. Every interest owner shall be liable for the~~
16 ~~tax to the extent of the interest owner's interest in such~~
17 ~~products. Any Indian tribe, Indian pueblo or Indian shall be~~
18 ~~liable for the tax to the extent authorized or permitted by~~
19 ~~law.~~

20 ~~D. The tax imposed by this section may be~~
21 ~~referred to as the "oil and gas severance tax".~~

22 ~~E. As used in this section, "production~~
23 ~~compliance project" means a procedure undertaken by the~~
24 ~~operator of a natural gas or crude oil well that, in order to~~
25 ~~continue production from the well, is required by rules~~

1 promulgated on or after May 25, 2021 by the oil conservation
2 commission to reduce the venting and flaring of natural gas
3 from wells and production equipment and facilities and of
4 natural gas from natural gas gathering systems or by the
5 environmental improvement board to reduce ambient ozone
6 concentrations."

7 SECTION 17. ~~Section 7-29B-1 NMSA 1978 (being Laws~~
8 ~~1995, Chapter 15, Section 1) is amended to read:~~

9 "7-29B-1. SHORT TITLE.--Chapter 7, Article 29B NMSA
10 1978 may be cited as the "Natural Gas and Crude Oil
11 Production Incentive Act"."

12 SECTION 18. ~~Section 7-29B-2 NMSA 1978 (being Laws~~
13 ~~1995, Chapter 15, Section 2, as amended by Laws 1999, Chapter~~
14 ~~7, Section 2 and as further amended by Laws 1999, Chapter~~
15 ~~256, Section 3) is amended to read:~~

16 "7-29B-2. DEFINITIONS.--As used in the Natural Gas and
17 Crude Oil Production Incentive Act:

18 A. "average annual taxable value" means the
19 average of the taxable value per barrel, determined pursuant
20 to Section 7-31-5 NMSA 1978, of all oil produced in New
21 Mexico for the specified calendar year as determined by the
22 department;

23 B. "average daily production" means, for any
24 crude oil or natural gas property assigned a single
25 production number by the department, the number derived by

1 ~~dividing the total volume of crude oil or natural gas~~
2 ~~production from the property reported to the division during~~
3 ~~a calendar year by the sum of the number of days each~~
4 ~~eligible well within the property produced or injected during~~
5 ~~that calendar year;~~

6 ~~C. "department" means the taxation and revenue~~
7 ~~department;~~

8 ~~D. "division" means the oil conservation division~~
9 ~~of the energy, minerals and natural resources department;~~

10 ~~E. "eligible well" means a crude oil or natural~~
11 ~~gas well that produces or an injection well that injects and~~
12 ~~is integral to production for any period of time during the~~
13 ~~preceding calendar year;~~

14 ~~F. "natural gas" means any combustible vapor~~
15 ~~composed chiefly of hydrocarbons occurring naturally;~~

16 ~~G. "operator" means the person responsible for~~
17 ~~the actual physical operation of a natural gas or oil well;~~

18 ~~H. "person" means any individual or other legal~~
19 ~~entity, including any group or combination of individuals or~~
20 ~~other legal entities acting as a unit;~~

21 ~~I. "production compliance project" means a~~
22 ~~procedure undertaken by the operator of a natural gas or~~
23 ~~crude oil well that, in order to continue production from the~~
24 ~~well, is required by rules promulgated on or after May 25,~~
25 ~~2021 by the oil conservation commission to reduce the venting~~

1 ~~and flaring of natural gas from wells and production~~
2 ~~equipment and facilities and of natural gas from natural gas~~
3 ~~gathering systems or by the environmental improvement board~~
4 ~~to reduce ambient ozone concentrations;~~

5 ~~J. "production restoration incentive tax~~
6 ~~exemption" means the tax exemption set forth in Subsection B~~
7 ~~of Section 7-29-4 NMSA 1978 for natural gas or oil produced~~
8 ~~from a production restoration project;~~

9 ~~K. "production restoration project" means the use~~
10 ~~of any process for returning to production a natural gas or~~
11 ~~oil well that had thirty days or less of production in any~~
12 ~~period of twenty-four consecutive months beginning on or~~
13 ~~after January 1, 1993 as approved and certified by the~~
14 ~~division;~~

15 ~~L. "severance" means the taking from the soil of~~
16 ~~any product in any manner whatsoever;~~

17 ~~M. "stripper well property" means a crude oil or~~
18 ~~natural gas producing property that is assigned a single~~
19 ~~production unit number by the department and:~~

20 ~~(1) if a crude oil producing property,~~
21 ~~produced an average daily production of less than ten barrels~~
22 ~~of oil per eligible well per day for the preceding calendar~~
23 ~~year;~~

24 ~~(2) if a natural gas producing property,~~
25 ~~produced an average daily production of less than sixty~~

1 ~~thousand cubic feet of natural gas per eligible well per day~~
2 ~~during the preceding calendar year; or~~

3 ~~(3) if a property with wells that produce~~
4 ~~both crude oil and natural gas, produced an average daily~~
5 ~~production of less than ten barrels of oil per eligible well~~
6 ~~per day for the preceding calendar year, as determined by~~
7 ~~converting the volume of natural gas produced by the well to~~
8 ~~barrels of oil by using a ratio of six thousand cubic feet to~~
9 ~~one barrel of oil;~~

10 ~~N. "stripper well incentive tax rates" means the~~
11 ~~tax rates set forth in Paragraphs (6) through (9) of~~
12 ~~Subsection A of Section 7-29-4 NMSA 1978 and in Paragraphs~~
13 ~~(4) through (7) of Subsection A of Section 7-31-4 NMSA 1978~~
14 ~~for natural gas or oil produced from a well within a stripper~~
15 ~~well property;~~

16 ~~O. "well workover incentive tax rate" means the~~
17 ~~tax rate set forth in Paragraphs (4) and (5) of Subsection A~~
18 ~~of Section 7-29-4 NMSA 1978 on the natural gas or oil~~
19 ~~produced from a well workover project; and~~

20 ~~P. "well workover project" means any procedure~~
21 ~~undertaken by the operator of a natural gas or oil well that~~
22 ~~is intended to increase the production from the well and that~~
23 ~~has been approved and certified by the division."~~

24 ~~SECTION 19. Section 7-29B-3 NMSA 1978 (being Laws~~
25 ~~1995, Chapter 15, Section 3, as amended by Laws 1999, Chapter~~

1 ~~7, Section 3 and as further amended by Laws 1999, Chapter~~
2 ~~256, Section 4) is amended to read:~~

3 ~~"7-29B-3. APPROVAL OF PRODUCTION RESTORATION PROJECTS,~~
4 ~~PRODUCTION COMPLIANCE PROJECTS, WELL WORKOVER PROJECTS AND~~
5 ~~STRIPPER WELL PROPERTIES.--~~

6 ~~A. A natural gas or oil well shall be approved by~~
7 ~~the division as a production restoration project if:~~

8 ~~(1) the operator of the well makes~~
9 ~~application to the division in accordance with the provisions~~
10 ~~of the Natural Gas and Crude Oil Production Incentive Act and~~
11 ~~rules adopted pursuant to that act for approval of a~~
12 ~~production restoration project and the application is made~~
13 ~~within twelve months of the completion of the production~~
14 ~~restoration project; and~~

15 ~~(2) the division records show that the well~~
16 ~~had thirty days or less of production in any period of~~
17 ~~twenty-four consecutive months beginning on or after January~~
18 ~~1, 1993.~~

19 ~~B. A natural gas or crude oil well shall be~~
20 ~~approved by the division as a production compliance project~~
21 ~~if:~~

22 ~~(1) the operator of the well makes an~~
23 ~~application to the division in accordance with the provisions~~
24 ~~of the Natural Gas and Crude Oil Production Incentive Act and~~
25 ~~rules adopted pursuant to that act for approval of a~~

1 ~~production compliance project and the application is made~~
2 ~~within twelve months of the completion of the production~~
3 ~~compliance project;~~

4 ~~(2) in order to continue production, the~~
5 ~~production compliance project was required by rules~~
6 ~~promulgated on or after May 25, 2021 by the oil conservation~~
7 ~~commission to reduce the venting and flaring of natural gas~~
8 ~~from wells and production equipment and facilities and of~~
9 ~~natural gas from natural gas gathering systems or by the~~
10 ~~environmental improvement board to reduce ambient ozone~~
11 ~~concentrations;~~

12 ~~(3) the well is approved and certified by~~
13 ~~the division as a stripper well property;~~

14 ~~(4) the operator of the well has total~~
15 ~~production in New Mexico of not more than one thousand~~
16 ~~barrels of oil equivalent per day; and~~

17 ~~(5) the production compliance project was~~
18 ~~implemented to install, upgrade or replace the following well~~
19 ~~equipment, as approved by the division:~~

20 ~~(a) tank controls;~~

21 ~~(b) pneumatic devices;~~

22 ~~(c) actuators;~~

23 ~~(d) vapor recovery units;~~

24 ~~(e) forward-looking infrared cameras;~~

25 and

1 ~~(f) smokeless combustion chambers.~~

2 ~~G. A natural gas or oil well shall be approved by~~
3 ~~the division as a well workover project if:~~

4 ~~(1) the operator of the well makes~~
5 ~~application to the division in accordance with the provisions~~
6 ~~of the Natural Gas and Crude Oil Production Incentive Act and~~
7 ~~rules adopted pursuant to that act for approval of a well~~
8 ~~workover project;~~

9 ~~(2) the division determines that the~~
10 ~~procedure performed by the operator of the well is a~~
11 ~~procedure to increase the production from the well, but is~~
12 ~~not routine maintenance performed by a prudent operator to~~
13 ~~maintain the well in operation. Such procedures may include,~~
14 ~~but are not limited to:~~

15 ~~(a) re-entry into the well to drill~~
16 ~~deeper, to sidetrack to a different location or to recomplete~~
17 ~~for production;~~

18 ~~(b) recompletion by reperforation of a~~
19 ~~zone from which natural gas or oil has been produced or by~~
20 ~~perforation of a different zone;~~

21 ~~(c) repair or replacement of faulty or~~
22 ~~damaged casing or related downhole equipment;~~

23 ~~(d) fracturing, acidizing or~~
24 ~~installing compression equipment; or~~

25 ~~(e) squeezing, cementing or installing~~

1 ~~equipment necessary for removal of excessive water, brine or~~
2 ~~condensate from the well bore in order to establish, continue~~
3 ~~or increase production from the well; and~~

4 ~~(3) the operator of the well submits to the~~
5 ~~division evidence of a positive production increase over the~~
6 ~~production rate of the well prior to the workover. The~~
7 ~~operator must submit a production curve or tabulation made up~~
8 ~~of at least twelve months' production prior to the workover~~
9 ~~and at least three months' production following the workover~~
10 ~~that reflects a positive production increase from the~~
11 ~~workover. The production curve or tabulation must be~~
12 ~~certified by the operator as that of the well on which a~~
13 ~~workover was performed.~~

14 ~~D. A natural gas or crude oil producing property~~
15 ~~shall be approved and certified by the division as a stripper~~
16 ~~well property if the division records show that the property~~
17 ~~is assigned a single production unit number by the department~~
18 ~~and:~~

19 ~~(1) if a crude oil producing property,~~
20 ~~produced an average daily production of less than ten barrels~~
21 ~~of oil per eligible well per day for the preceding calendar~~
22 ~~year;~~

23 ~~(2) if a natural gas producing property,~~
24 ~~produced an average daily production of less than sixty~~
25 ~~thousand cubic feet of natural gas per eligible well per day~~

1 during the preceding calendar year; or

2 (3) if a property with wells that produce
3 both crude oil and natural gas, produced an average daily
4 production of less than ten barrels of oil per eligible well
5 per day for the preceding calendar year, as determined by
6 converting the volume of natural gas produced by the well to
7 barrels of oil by using a ratio of six thousand cubic feet to
8 one barrel of oil."

9 SECTION 20. Section 7-29B-4 NMSA 1978 (being Laws
10 1995, Chapter 15, Section 4, as amended) is amended to read:

11 "7-29B-4. APPLICATION PROCEDURES--CERTIFICATION OF
12 APPROVAL--RULES--ADMINISTRATION.--

13 A. The operator of a proposed production
14 restoration project, production compliance project or well
15 workover project shall apply to the division for approval of
16 a production restoration project, production compliance
17 project or a well workover project in the form and manner
18 prescribed by the division and shall provide any relevant
19 material and information the division requires for that
20 approval.

21 B. Upon a determination that the project complies
22 with the provisions of the Natural Gas and Crude Oil
23 Production Incentive Act and rules adopted pursuant to that
24 act, the division shall approve the application and shall
25 issue a certification of approval to the operator and

1 ~~designate the natural gas or oil well as a production~~
2 ~~restoration project, production compliance project or well~~
3 ~~workover project, as applicable.~~

4 ~~C. In addition to the powers enumerated in~~
5 ~~Section 70-2-12 NMSA 1978, the division shall adopt,~~
6 ~~promulgate and enforce rules to carry out the provisions of~~
7 ~~the Natural Gas and Crude Oil Production Incentive Act.~~

8 ~~D. The division shall consider and approve~~
9 ~~applications for approval of a production restoration~~
10 ~~project, production compliance project or well workover~~
11 ~~project without holding hearings on the applications. If the~~
12 ~~division denies approval of an application pursuant to such a~~
13 ~~process, the division, upon the request of the applicant,~~
14 ~~shall set a hearing of the application before an examiner~~
15 ~~appointed by the division to conduct the hearing. The~~
16 ~~hearing shall be conducted in accordance with the provisions~~
17 ~~of the Oil and Gas Act for such hearings."~~

18 ~~SECTION 21. Section 7-29B-5 NMSA 1978 (being Laws~~
19 ~~1995, Chapter 15, Section 5, as amended) is amended to read:~~

20 ~~"7-29B-5. NOTICE TO SECRETARY OF TAXATION AND~~
21 ~~REVENUE.--The division shall notify immediately the secretary~~
22 ~~of taxation and revenue upon:~~

23 ~~A. adoption of rules pursuant to the provisions~~
24 ~~of the Natural Gas and Crude Oil Production Incentive Act;~~

25 ~~B. certification of the date that production has~~

1 ~~been restored on a production restoration project;~~

2 ~~C. certification of the date that a production~~
3 ~~compliance project has been completed;~~

4 ~~D. certification of the date that a well workover~~
5 ~~project has been completed; and~~

6 ~~E. certification of the stripper well properties~~
7 ~~for the fiscal year."~~

8 ~~SECTION 22. Section 7-29B-6 NMSA 1978 (being Laws~~
9 ~~1995, Chapter 15, Section 6, as amended) is amended to read:~~

10 ~~"7-29B-6. QUALIFICATION FOR PRODUCTION RESTORATION~~
11 ~~INCENTIVE TAX EXEMPTION, PRODUCTION COMPLIANCE PROJECT TAX~~
12 ~~EXEMPTION AND WELL WORKOVER AND STRIPPER WELL PROPERTY~~
13 ~~INCENTIVE TAX RATE--SECRETARY OF TAXATION AND REVENUE~~
14 ~~APPROVAL--REFUND.--~~

15 ~~A. The person responsible for paying the oil and~~
16 ~~gas severance tax on natural gas or oil produced from a~~
17 ~~production restoration project shall qualify to receive a~~
18 ~~ten-year production restoration incentive tax exemption upon:~~

19 ~~(1) application to the department in the~~
20 ~~form and manner prescribed by the department for approval for~~
21 ~~the ten-year production restoration incentive tax exemption;~~

22 ~~(2) submission of the certification of~~
23 ~~approval from the division and designation of the natural gas~~
24 ~~or oil well as a production restoration project; and~~

25 ~~(3) submission of any other relevant~~

1 ~~material that the secretary of taxation and revenue deems~~
2 ~~necessary to administer the applicable provisions of the~~
3 ~~Natural Gas and Crude Oil Production Incentive Act.~~

4 ~~B. The person responsible for paying the oil and~~
5 ~~gas severance tax on natural gas or oil produced from a~~
6 ~~production compliance project shall qualify to receive a~~
7 ~~production compliance project tax exemption upon:~~

8 ~~(1) application to the department in the~~
9 ~~form and manner prescribed by the department for approval of~~
10 ~~the production compliance project tax exemption;~~

11 ~~(2) submission of the certification of~~
12 ~~approval from the division and designation of the natural gas~~
13 ~~or oil well as a production compliance project;~~

14 ~~(3) submission to the department of~~
15 ~~verifiable total costs of compliance for the production~~
16 ~~compliance project for payout purposes; and~~

17 ~~(4) submission of any other relevant~~
18 ~~material that the department deems necessary to administer~~
19 ~~the applicable provisions of the Natural Gas and Crude Oil~~
20 ~~Production Incentive Act.~~

21 ~~C. The person responsible for payment of the oil~~
22 ~~and gas severance tax on natural gas or oil produced from a~~
23 ~~well workover project shall qualify for the well workover~~
24 ~~incentive tax rate on all the natural gas or oil produced by~~
25 ~~that project upon:~~

1 ~~(1) application to the department in the~~
2 ~~form and manner prescribed by the department for approval to~~
3 ~~apply the well workover incentive tax rate to the natural gas~~
4 ~~or oil produced from a well workover project;~~

5 ~~(2) submission of the certification from~~
6 ~~the division of approval and designation of the natural gas~~
7 ~~or oil well as a well workover project; and~~

8 ~~(3) any other relevant material that the~~
9 ~~department considers necessary to administer the applicable~~
10 ~~provisions of the Natural Gas and Crude Oil Production~~
11 ~~Incentive Act.~~

12 ~~D. The person responsible for paying the oil and~~
13 ~~gas severance tax and the oil and gas emergency school tax on~~
14 ~~natural gas and crude oil produced from a stripper well~~
15 ~~property shall qualify to receive the stripper well property~~
16 ~~incentive tax rate for the fiscal year following~~
17 ~~certification by the division in the form and manner agreed~~
18 ~~to by the division and the department designating the~~
19 ~~property as a stripper well property. The division shall~~
20 ~~certify stripper well properties for calendar year 1998 no~~
21 ~~later than June 30, 1999 and no later than June 1 of each~~
22 ~~succeeding year for the preceding calendar year.~~

23 ~~E. The production restoration incentive tax~~
24 ~~exemption shall apply to natural gas or oil produced from a~~
25 ~~production restoration project beginning the first day of the~~

1 ~~month following the date the division certifies that~~
2 ~~production has been restored and ending the last day of the~~
3 ~~tenth year of production following that date. The well~~
4 ~~workover incentive tax rate applies to the natural gas or oil~~
5 ~~produced from a well workover project beginning the first day~~
6 ~~of the month following the date the division certifies that~~
7 ~~the well workover project has been completed. The stripper~~
8 ~~well property incentive tax rates apply to the natural gas or~~
9 ~~oil produced from a stripper well property in the twelve~~
10 ~~months beginning May 1 prior to July 1 of the fiscal year to~~
11 ~~which the certification of the property as a stripper well~~
12 ~~property applies.~~

13 ~~F. The person responsible for payment of the oil~~
14 ~~and gas severance tax on natural gas or oil production from~~
15 ~~an approved well workover project may file a claim for credit~~
16 ~~against current tax liability or for refund in accordance~~
17 ~~with Section 7-1-26 NMSA 1978 for taxes paid in excess of the~~
18 ~~amount due using the well workover incentive tax rate.~~
19 ~~Notwithstanding the provisions of Subsection E of Section~~
20 ~~7-1-26 NMSA 1978, any such refund granted shall be made in~~
21 ~~the form of a credit against any future oil and gas severance~~
22 ~~tax liabilities incurred by the taxpayer.~~

23 ~~G. Well workover projects certified prior to July~~
24 ~~1, 1999 shall be deemed to be approved and certified in~~
25 ~~accordance with the provisions of this 1999 act and natural~~

1 ~~gas or oil produced from those projects shall be eligible for~~
2 ~~the well workover incentive tax rate effective beginning July~~
3 ~~1, 1999.~~

4 ~~H. The secretary of taxation and revenue may~~
5 ~~adopt and promulgate rules to enforce the provisions of this~~
6 ~~section."~~

7 SECTION 23. Section 7-2-18.16 NMSA 1978 (being Laws
8 2007, Chapter 45, Section 10) is amended to read:

9 "7-2-18.16. CREDIT--SPECIAL NEEDS ADOPTED CHILD TAX
10 CREDIT--CREATED--QUALIFICATIONS--DURATION OF CREDIT.--

11 A. A taxpayer who files an individual New Mexico
12 income tax return, who is not a dependent of another
13 individual and who adopts a special needs child on or after
14 January 1, 2007 or has adopted a special needs child prior to
15 January 1, 2007, may claim a credit against the taxpayer's
16 tax liability imposed pursuant to the Income Tax Act. The
17 credit authorized pursuant to this section may be referred to
18 as the "special needs adopted child tax credit".

19 B. A taxpayer may claim and the department may
20 allow a special needs adopted child tax credit in the amount
21 of one thousand five hundred dollars (\$1,500) to be claimed
22 against the taxpayer's tax liability for the taxable year
23 imposed pursuant to the Income Tax Act.

24 C. A taxpayer may claim a special needs adopted
25 child tax credit for each year that the child may be claimed

1 as a dependent for federal taxation purposes by the taxpayer.

2 D. If the amount of the special needs adopted
3 child tax credit due to the taxpayer exceeds the taxpayer's
4 individual income tax liability, the excess shall be
5 refunded.

6 E. Married individuals who file separate returns
7 for a taxable year in which they could have filed a joint
8 return may each claim only one-half of the special needs
9 adopted child tax credit provided in this section that would
10 have been allowed on a joint return.

11 F. A taxpayer allowed a tax credit pursuant to
12 this section shall report the amount of the credit to the
13 department in a manner required by the department.

14 G. The department shall compile an annual report
15 on the credit provided by this section that shall include the
16 number of taxpayers approved by the department to receive the
17 credit, the aggregate amount of credits approved and any
18 other information necessary to evaluate the credit. The
19 department shall present the report to the revenue
20 stabilization and tax policy committee and the legislative
21 finance committee with an analysis of the cost of the tax
22 credit.

23 H. As used in this section, "special needs
24 adopted child" means an individual who may be over eighteen
25 years of age and who is certified by the children, youth and

1 families department or a licensed child placement agency as
2 meeting the definition of a "difficult to place child"
3 pursuant to the Adoption Act; provided, however, if the
4 classification as a "difficult to place child" is based on a
5 physical or mental impairment or an emotional disturbance the
6 physical or mental impairment or emotional disturbance shall
7 be at least moderately disabling."

8 SECTION 24. A new section of the Income Tax Act is
9 enacted to read:

10 "DEDUCTION--SCHOOL SUPPLIES PURCHASED BY A PUBLIC
11 SCHOOL TEACHER.--

12 A. A taxpayer who is not a dependent of another
13 individual and is a public school teacher may claim a
14 deduction from net income in an amount equal to the costs of
15 school supplies purchased by the public school teacher in a
16 taxable year, not to exceed:

17 (1) for a taxable year beginning on January
18 1, 2024 and prior to January 1, 2025, five hundred dollars
19 (\$500); and

20 (2) for a taxable year beginning on January
21 1, 2025 and prior to January 1, 2029, one thousand dollars
22 (\$1,000).

23 B. To claim a deduction pursuant to this section,
24 a taxpayer shall submit to the department information
25 required by the secretary establishing that the taxpayer is

1 eligible to claim a deduction pursuant to this section.

2 C. A taxpayer allowed a deduction pursuant to
3 this section shall report the amount of the deduction to the
4 department in a manner required by the department.

5 D. The department shall compile an annual report
6 on the deduction provided by this section that shall include
7 the number of taxpayers approved by the department to receive
8 the deduction, the aggregate amount of deductions approved
9 and any other information necessary to evaluate the
10 deduction. The department shall present the report to the
11 revenue stabilization and tax policy committee and the
12 legislative finance committee with an analysis of the cost of
13 the deduction.

14 E. As used in this section:

15 (1) "public school teacher" means a person
16 who is licensed as a teacher pursuant to the Public School
17 Code and who teaches at a public school, as that term is
18 defined in the Public School Code; and

19 (2) "school supplies" means items purchased
20 by a public school teacher and used by the students of the
21 teacher in the teacher's classroom for educational purposes,
22 including notebooks, paper, writing instruments, crayons, art
23 supplies, rulers, maps and globes, but not including
24 computers or other similar digital devices, watches, radios,
25 digital music players, headphones, sporting equipment,

1 portable or desktop telephones, cellular telephones or other
2 electronic communication devices, copiers, office equipment,
3 furniture or fixtures."

4 SECTION 25. Section 7-2-18.24 NMSA 1978 (being Laws
5 2009, Chapter 271, Section 1) is amended to read:

6 "7-2-18.24. GEOTHERMAL GROUND-COUPLED HEAT PUMP INCOME
7 TAX CREDIT.--

8 A. A taxpayer who files an individual New Mexico
9 income tax return for a taxable year beginning on or after
10 January 1, 2024 and who purchases and installs after the
11 effective date of this section but before December 31, 2034 a
12 geothermal ground-coupled heat pump in a residence, business
13 or agricultural enterprise in New Mexico owned by that
14 taxpayer may apply for, and the department may allow, a tax
15 credit of up to thirty percent of the purchase and
16 installation costs of the system. The credit provided in
17 this section may be referred to as the "geothermal ground-
18 coupled heat pump income tax credit". The total geothermal
19 ground-coupled heat pump income tax credit allowed to a
20 taxpayer shall not exceed nine thousand dollars (\$9,000).
21 The department shall allow a geothermal ground-coupled heat
22 pump income tax credit only for geothermal ground-coupled
23 heat pumps that are installed by a nationally accredited
24 ground source heat pump installer certified by the energy,
25 minerals and natural resources department.

1 B. That portion of a geothermal ground-coupled
2 heat pump income tax credit that exceeds a taxpayer's tax
3 liability in the taxable year in which the credit is claimed
4 shall be refunded to the taxpayer.

5 C. The energy, minerals and natural resources
6 department shall adopt rules establishing procedures to
7 provide certification of geothermal ground-coupled heat pumps
8 for purposes of obtaining a geothermal ground-coupled heat
9 pump income tax credit. The rules shall address technical
10 specifications and requirements relating to safety, building
11 code and standards compliance, minimum system sizes, system
12 applications and lists of eligible components. The energy,
13 minerals and natural resources department may modify the
14 specifications and requirements as necessary to maintain a
15 high level of system quality and performance.

16 D. The maximum annual aggregate of credits that
17 may be certified in a calendar year by the energy, minerals
18 and natural resources department is four million dollars
19 (\$4,000,000). That department shall not certify a tax credit
20 for which a taxpayer claims a 2021 sustainable building tax
21 credit using a geothermal ground-coupled heat pump as a
22 component of qualification for the rating system
23 certification level used in determining eligibility for that
24 credit. Applications for the credit shall be considered in
25 the order received by the department.

1 E. A taxpayer who otherwise qualifies and claims
2 a geothermal ground-coupled heat pump income tax credit with
3 respect to property owned by a partnership or other business
4 association of which the taxpayer is a member may claim a
5 credit only in proportion to that taxpayer's interest in the
6 partnership or association. The total credit claimed in the
7 aggregate by all members of the partnership or association
8 with respect to the property shall not exceed the amount of
9 the credit that could have been claimed by a sole owner of
10 the property.

11 F. Married individuals who file separate returns
12 for a taxable year in which they could have filed a joint
13 return may each claim only one-half of the credit that would
14 have been allowed on a joint return.

15 G. A taxpayer allowed a tax credit pursuant to
16 this section shall report the amount of the credit to the
17 department in a manner required by the department.

18 H. The department shall compile an annual report
19 on the tax credit provided by this section that shall include
20 the number of taxpayers approved by the department to receive
21 the credit, the aggregate amount of credits approved and any
22 other information necessary to evaluate the credit. The
23 department shall present the report to the revenue
24 stabilization and tax policy committee and the legislative
25 finance committee with an analysis of the cost of the tax

1 credit.

2 I. As used in this section, "geothermal ground-
3 coupled heat pump" means a heating and refrigerating system
4 that directly or indirectly utilizes available heat below the
5 surface of the earth for distribution of heating and cooling
6 or domestic hot water and that has either a minimum
7 coefficient of performance of three and four-tenths or an
8 efficiency ratio of sixteen or greater."

9 SECTION 26. Section 7-2A-24 NMSA 1978 (being Laws
10 2009, Chapter 271, Section 2) is amended to read:

11 "7-2A-24. GEOTHERMAL GROUND-COUPLED HEAT PUMP
12 CORPORATE INCOME TAX CREDIT.--

13 A. A taxpayer that files a New Mexico corporate
14 income tax return for a taxable year beginning on or after
15 January 1, 2024 and that purchases and installs after the
16 effective date of this section but before December 31, 2034 a
17 geothermal ground-coupled heat pump in a property owned by
18 the taxpayer may claim against the taxpayer's corporate
19 income tax liability, and the department may allow, a tax
20 credit of up to thirty percent of the purchase and
21 installation costs of the system. The credit provided in
22 this section may be referred to as the "geothermal ground-
23 coupled heat pump corporate income tax credit". The total
24 geothermal ground-coupled heat pump corporate income tax
25 credit allowed to a taxpayer shall not exceed nine thousand

1 dollars (\$9,000). The department shall allow a geothermal
2 ground-coupled heat pump corporate income tax credit only for
3 geothermal ground-coupled heat pumps that are installed by a
4 nationally accredited ground source heat pump installer
5 certified by the energy, minerals and natural resources
6 department.

7 B. That portion of a geothermal ground-coupled
8 heat pump corporate income tax credit that exceeds a
9 taxpayer's tax liability in the taxable year in which the
10 credit is claimed shall be refunded to the taxpayer.

11 C. The energy, minerals and natural resources
12 department shall adopt rules establishing procedures to
13 provide certification of geothermal ground-coupled heat pumps
14 for purposes of obtaining a geothermal ground-coupled heat
15 pump corporate income tax credit. The rules shall address
16 technical specifications and requirements relating to safety,
17 building code and standards compliance, minimum system sizes,
18 system applications and lists of eligible components. The
19 energy, minerals and natural resources department may modify
20 the specifications and requirements as necessary to maintain
21 a high level of system quality and performance.

22 D. The maximum annual aggregate of credits that
23 may be certified in a calendar year by the energy, minerals
24 and natural resources department is four million dollars
25 (\$4,000,000). That department shall not certify a tax credit

1 for which a taxpayer claims a 2021 sustainable building tax
2 credit using a geothermal ground-coupled heat pump as a
3 component of qualification for the rating system
4 certification level used in determining eligibility for that
5 credit. Applications for the credit shall be considered in
6 the order received by the department.

7 E. A taxpayer allowed a tax credit pursuant to
8 this section shall report the amount of the credit to the
9 department in a manner required by the department.

10 F. The department shall compile an annual report
11 on the tax credit provided by this section that shall include
12 the number of taxpayers approved by the department to receive
13 the credit, the aggregate amount of credits approved and any
14 other information necessary to evaluate the credit. The
15 department shall present the report to the revenue
16 stabilization and tax policy committee and the legislative
17 finance committee with an analysis of the cost of the tax
18 credit.

19 G. As used in this section, "geothermal ground-
20 coupled heat pump" means a heating and refrigerating system
21 that directly or indirectly utilizes available heat below the
22 surface of the earth for distribution of heating and cooling
23 or domestic hot water and that has either a minimum
24 coefficient of performance of three and four-tenths or an
25 efficiency ratio of sixteen or greater."

1 SECTION 27. A new section of the Income Tax Act is
2 enacted to read:

3 "CLEAN CAR INCOME TAX CREDIT.--

4 A. A taxpayer who is not a dependent of another
5 individual and who, beginning on the effective date of this
6 section and prior to January 1, 2030, purchases an electric
7 vehicle, plug-in hybrid electric vehicle or fuel cell vehicle
8 or enters into a new lease of at least three years for one of
9 these vehicles may claim a tax credit against the taxpayer's
10 tax liability imposed pursuant to the Income Tax Act in an
11 amount provided in Subsection B of this section. The tax
12 credit provided by this section may be referred to as the
13 "clean car income tax credit".

14 B. The amount of the tax credit shall be in an
15 amount equal to:

16 (1) for taxable years beginning January 1,
17 2024 and prior to January 1, 2027:

18 (a) three thousand dollars (\$3,000)
19 for a new electric vehicle;

20 (b) two thousand five hundred dollars
21 (\$2,500) for a new plug-in hybrid electric vehicle or fuel
22 cell vehicle;

23 (c) two thousand five hundred dollars
24 (\$2,500) for a previously owned electric vehicle; and

25 (d) two thousand dollars (\$2,000) for

1 a previously owned plug-in hybrid electric vehicle or fuel
2 cell vehicle;

3 (2) for a taxable year beginning January 1,
4 2027 and prior to January 1, 2028:

5 (a) two thousand two hundred twenty
6 dollars (\$2,220) for a new electric vehicle;

7 (b) one thousand eight hundred fifty
8 dollars (\$1,850) for a new plug-in hybrid electric vehicle or
9 fuel cell vehicle;

10 (c) one thousand eight hundred fifty
11 dollars (\$1,850) for a previously owned electric vehicle; and

12 (d) one thousand four hundred eighty
13 dollars (\$1,480) for a previously owned plug-in hybrid
14 electric vehicle or fuel cell vehicle;

15 (3) for a taxable year beginning on January
16 1, 2028 and prior to January 1, 2029:

17 (a) one thousand four hundred seventy
18 dollars (\$1,470) for a new electric vehicle;

19 (b) one thousand two hundred
20 twenty-five dollars (\$1,225) for a new plug-in hybrid
21 electric vehicle or fuel cell vehicle;

22 (c) one thousand two hundred
23 twenty-five dollars (\$1,225) for a previously owned electric
24 vehicle; and

25 (d) nine hundred eighty dollars (\$980)

1 for a previously owned plug-in hybrid electric vehicle or
2 fuel cell vehicle; and

3 (4) for the taxable year beginning January
4 1, 2029:

5 (a) nine hundred sixty dollars (\$960)
6 for a new electric vehicle;

7 (b) eight hundred dollars (\$800) for a
8 new plug-in hybrid electric vehicle or fuel cell vehicle;

9 (c) eight hundred dollars (\$800) for a
10 previously owned electric vehicle; and

11 (d) six hundred forty dollars (\$640)
12 for a previously owned plug-in hybrid electric vehicle or
13 fuel cell vehicle.

14 C. For a previously owned motor vehicle to be
15 eligible for the tax credit, the vehicle shall have a model
16 year that is at least two years prior to the calendar year in
17 which the taxpayer purchased or leased the vehicle.

18 D. A taxpayer shall apply for certification of
19 eligibility for the tax credit from the energy, minerals and
20 natural resources department on forms and in the manner
21 prescribed by that department. Except as provided in
22 Subsections I and J of this section, only one tax credit
23 shall be certified per taxpayer per taxable year, and only
24 one tax credit shall be certified per previously owned motor
25 vehicle. The energy, minerals and natural resources

1 department may promulgate rules governing the procedure for
2 administering the provisions of this subsection.

3 E. An application for certification of
4 eligibility shall include proof of vehicle purchase from or
5 lease through a dealer licensed by the motor vehicle division
6 of the department pursuant to Section 66-4-2 NMSA 1978 or a
7 dealer located on tribal land within New Mexico, the
8 vehicle's registration or application for title and
9 registration in New Mexico and any additional information the
10 energy, minerals and natural resources department may require
11 to determine eligibility for the credit. If the energy,
12 minerals and natural resources department determines that the
13 taxpayer meets the requirements of this section, that
14 department shall issue a dated certificate of eligibility to
15 the taxpayer providing the amount of tax credit for which the
16 taxpayer is eligible and the taxable years in which the
17 credit may be claimed. The energy, minerals and natural
18 resources department shall provide the department with the
19 certificates of eligibility issued pursuant to this
20 subsection in an electronic format at regularly agreed upon
21 intervals.

22 F. Applications for certification of the tax
23 credit shall be made no later than one year from the date on
24 which the vehicle is purchased or the lease is entered into.

25 G. A certificate of eligibility for the tax

1 credit may be sold, exchanged or otherwise transferred to
2 another taxpayer for the full value of the credit. The
3 parties to such a transaction shall notify the department of
4 the sale, exchange or transfer within ten days of the sale,
5 exchange or transfer in an electronic format prescribed by
6 the department.

7 H. That portion of the tax credit claimed by a
8 taxpayer that exceeds the taxpayer's income tax liability in
9 the taxable year in which a clean car income tax credit is
10 claimed shall be refunded to the taxpayer.

11 I. Married individuals filing separate returns
12 for a taxable year for which they could have filed a joint
13 return may each claim only one-half of the tax credit that
14 would have been claimed on a joint return.

15 J. A taxpayer may be allocated the right to claim
16 the tax credit in proportion to the taxpayer's ownership
17 interest if the taxpayer owns an interest in a business
18 entity that is taxed for federal income tax purposes as a
19 partnership or limited liability company and that business
20 entity has met all of the requirements to be eligible for the
21 credit. The total credit claimed by all members of the
22 partnership or limited liability company shall not exceed the
23 allowable credit pursuant to this section.

24 K. A taxpayer allowed to claim the tax credit
25 shall claim the tax credit in a manner required by the

1 department. The credit shall be claimed within three taxable
2 years of the end of the year in which the energy, minerals
3 and natural resources department certifies the credit.

4 L. As used in this section:

5 (1) "electric vehicle" means a motor
6 vehicle that derives all of the vehicle's power from
7 electricity stored in a battery that:

8 (a) has a capacity of not less than
9 twenty-five kilowatt-hours;

10 (b) is capable of powering the vehicle
11 for a range of at least one hundred miles; and

12 (c) is capable of being recharged from
13 an external source of electricity;

14 (2) "fuel cell vehicle" means a motor
15 vehicle that:

16 (a) uses a fuel cell to produce
17 electricity that is used to drive an electric motor; and

18 (b) is capable of powering the vehicle
19 for a range of at least one hundred miles;

20 (3) "motor vehicle" means a vehicle with
21 four wheels that:

22 (a) is required under the Motor
23 Vehicle Code to be registered in this state and that is
24 registered in this state;

25 (b) is made by a manufacturer;

1 (c) is manufactured primarily for use
2 on public streets, roads or highways;

3 (d) has not been modified from the
4 original manufacturer specifications;

5 (e) is rated at not less than two
6 thousand two hundred pounds unloaded base weight and not more
7 than nine thousand seven hundred fifty pounds unloaded base
8 weight;

9 (f) has a maximum speed capability of
10 at least sixty-five miles per hour; and

11 (g) is purchased from or leased
12 through a dealer licensed by the motor vehicle division of
13 the department pursuant to Section 66-4-2 NMSA 1978 or a
14 dealer located on tribal land within New Mexico;

15 (4) "new" means a motor vehicle that has a
16 base manufacturer suggested retail price, before options and
17 destination charges and before any taxes are imposed, of
18 fifty-five thousand dollars (\$55,000) or less;

19 (5) "plug-in hybrid electric vehicle" means
20 a motor vehicle that derives part of the vehicle's power from
21 electricity stored in a battery that:

22 (a) has a capacity of not less than
23 six kilowatt-hours;

24 (b) is capable of powering a vehicle
25 for a range of at least thirty miles; and

1 (c) is capable of being recharged from
2 an external source of electricity;

3 (6) "previously owned" means a motor
4 vehicle that is not new, that has a market value of
5 twenty-five thousand dollars (\$25,000) or less, that is
6 certified by the dealer selling the motor vehicle and for
7 which the dealer provides at least a one-year extended
8 manufacturer's warranty against defects and repairs; and

9 (7) "tribal land" means all land owned by a
10 tribe and located within the exterior boundaries of the
11 tribe's reservation or grant and all land held by the United
12 States in trust for the tribe."

13 SECTION 28. A new section of the Income Tax Act is
14 enacted to read:

15 "CLEAN CAR CHARGING UNIT INCOME TAX CREDIT.--

16 A. A taxpayer who is not a dependent of another
17 individual and who, beginning on the effective date of this
18 section and prior to January 1, 2030, purchases and installs
19 an electric vehicle charging unit or fuel cell charging unit
20 in New Mexico may claim a credit against the taxpayer's tax
21 liability imposed pursuant to the Income Tax Act in an amount
22 provided in Subsection B of this section. The tax credit
23 provided by this section may be referred to as the "clean car
24 charging unit income tax credit".

25 B. The amount of tax credit shall be in an amount

1 equal to:

2 (1) for a direct current fast charger or
3 fuel cell charging unit, twenty-five thousand dollars
4 (\$25,000) or the cost to purchase and install the direct
5 current fast charger or fuel cell charging unit, whichever is
6 less; and

7 (2) for all other electric vehicle charging
8 units, four hundred dollars (\$400) or the cost to purchase
9 and install the electric vehicle charging unit, whichever is
10 less.

11 C. A taxpayer shall apply for certification of
12 eligibility for the tax credit from the energy, minerals and
13 natural resources department on forms and in the manner
14 prescribed by that department. Except as provided in
15 Subsections H and I of this section, only one tax credit
16 shall be certified for a direct current fast charger or a
17 fuel cell charging unit per taxpayer per taxable year. The
18 energy, minerals and natural resources department may issue
19 rules governing the procedure for administering the
20 provisions of this subsection.

21 D. An application for certification of
22 eligibility shall include:

23 (1) a receipt for the purchase and
24 installation of the electric vehicle charging unit or fuel
25 cell charging unit;

1 (2) for electric vehicle charging units, a
2 copy of the data sheet that specifies the connector type,
3 plug type, voltage and current of the electric vehicle
4 charging unit;

5 (3) for a fuel cell charging unit,
6 technical specifications on the fuel dispensing unit and fuel
7 storage system, including information about operational
8 pressures of the fuel cell charging unit; and

9 (4) any other information the energy,
10 minerals and natural resources department may require to
11 evaluate eligibility for the credit.

12 E. If the energy, minerals and natural resources
13 department determines that the taxpayer meets the
14 requirements of this section, that department shall issue a
15 dated certificate of eligibility to the taxpayer providing
16 the amount of tax credit for which the taxpayer is eligible
17 and the taxable years in which the credit may be claimed.
18 The energy, minerals and natural resources department shall
19 provide the department certificates of eligibility issued in
20 an electronic format at regularly agreed upon intervals.

21 F. An application for certification of the tax
22 credit shall be made no later than one year from the date in
23 which the electric vehicle charging unit or fuel cell
24 charging unit for which the credit is claimed is purchased
25 and installed.

1 G. That portion of tax credit that exceeds a
2 taxpayer's income tax liability in the taxable year in which
3 the credit is claimed shall be refunded to the taxpayer.

4 H. Married individuals filing separate returns
5 for a taxable year for which they could have filed a joint
6 return may each claim only one-half of the tax credit that
7 would have been claimed on a joint return.

8 I. A taxpayer may be allocated the right to claim
9 the tax credit in proportion to the taxpayer's ownership
10 interest if the taxpayer owns an interest in a business
11 entity that is taxed for federal income tax purposes as a
12 partnership or limited liability company and that business
13 entity has met all requirements to be eligible for the
14 credit. The total credit claimed by all members of the
15 partnership or limited liability company shall not exceed the
16 allowable credit pursuant to this section.

17 J. A taxpayer allowed to claim a tax credit
18 pursuant to this section shall claim the tax credit in a
19 manner required by the department. The credit shall be
20 claimed within three taxable years of the end of the year in
21 which the energy, minerals and natural resources department
22 certifies the credit.

23 K. A taxpayer who claims the 2021 sustainable
24 building tax credit for expenses of purchasing or installing
25 an electric vehicle charging unit or fuel cell charging unit

1 shall not be eligible to claim the tax credit provided by
2 this section.

3 L. As used in this section:

4 (1) "direct current fast charger" means an
5 electric vehicle charging unit that provides at least fifty
6 kilowatts of direct current electrical power for charging an
7 electric vehicle through a connector based on fast charging
8 equipment standards and that is approved for installation for
9 that purpose under the National Electrical Code through an
10 underwriters laboratories certification or an equivalent
11 certifying organization;

12 (2) "electric vehicle" means a motor
13 vehicle subject to the registration fee pursuant to Section
14 66-6-2 or 66-6-4 NMSA 1978 that derives all of the vehicle's
15 power from electricity stored in a battery that:

16 (a) has a capacity of not less than
17 twenty-five kilowatt-hours;

18 (b) is capable of powering the vehicle
19 for a range of at least one hundred miles; and

20 (c) is capable of being recharged from
21 an external source of electricity;

22 (3) "electric vehicle charging unit" means
23 a device that:

24 (a) is used to provide electricity to
25 an electric vehicle or plug-in hybrid electric vehicle;

1 (b) is designed to create a connection
2 between an electricity source and the electric vehicle or
3 plug-in hybrid electric vehicle; and

4 (c) uses the electric vehicle's or
5 plug-in hybrid electric vehicle's control system to ensure
6 that electricity flows at an appropriate voltage and current
7 level;

8 (4) "fuel cell charging unit" means a
9 facility or unit that dispenses liquefied or compressed
10 hydrogen for fuel cell vehicle refueling and that is approved
11 for installation for that purpose under applicable codes and
12 compliant with requirements of applicable certifying
13 organizations;

14 (5) "fuel cell vehicle" means a motor
15 vehicle subject to the registration fee pursuant to Section
16 66-6-2 or 66-6-4 NMSA 1978 that:

17 (a) uses a fuel cell to produce
18 electricity that is used to drive an electric motor; and

19 (b) is capable of powering the vehicle
20 for a range of at least one hundred miles; and

21 (6) "plug-in hybrid electric vehicle" means
22 a motor vehicle subject to the registration fee pursuant to
23 Section 66-6-2 or 66-6-4 NMSA 1978 that derives part of the
24 vehicle's power from electricity stored in a battery that:

25 (a) has a capacity of not less than

1 six kilowatt-hours;

2 (b) is capable of powering a vehicle
3 for a range of at least thirty miles; and

4 (c) is capable of being recharged from
5 an external source of electricity."

6 SECTION 29. A new section of the Corporate Income and
7 Franchise Tax Act is enacted to read:

8 "CLEAN CAR CORPORATE INCOME TAX CREDIT.--

9 A. A taxpayer that, beginning on the effective
10 date of this section and prior to January 1, 2030, purchases
11 an electric vehicle, plug-in hybrid electric vehicle or fuel
12 cell vehicle or enters into a new lease of at least three
13 years for one of these vehicles may claim a tax credit
14 against the taxpayer's tax liability imposed pursuant to the
15 Corporate Income and Franchise Tax Act in an amount provided
16 in Subsection B of this section. The tax credit provided by
17 this section may be referred to as the "clean car corporate
18 income tax credit".

19 B. The amount of the tax credit shall be in an
20 amount equal to:

21 (1) for taxable years beginning January 1,
22 2024 and prior to January 1, 2027:

23 (a) three thousand dollars (\$3,000)
24 for a new electric vehicle;

25 (b) two thousand five hundred dollars

1 (\$2,500) for a new plug-in hybrid electric vehicle or fuel
2 cell vehicle;

3 (c) two thousand five hundred dollars
4 (\$2,500) for a previously owned electric vehicle; and

5 (d) two thousand dollars (\$2,000) for
6 a previously owned plug-in hybrid electric vehicle or fuel
7 cell vehicle;

8 (2) for a taxable year beginning January 1,
9 2027 and prior to January 1, 2028:

10 (a) two thousand two hundred twenty
11 dollars (\$2,220) for a new electric vehicle;

12 (b) one thousand eight hundred fifty
13 dollars (\$1,850) for a new plug-in hybrid electric vehicle or
14 fuel cell vehicle;

15 (c) one thousand eight hundred fifty
16 dollars (\$1,850) for a previously owned electric vehicle; and

17 (d) one thousand four hundred eighty
18 dollars (\$1,480) for a previously owned plug-in hybrid
19 electric vehicle or fuel cell vehicle;

20 (3) for a taxable year beginning on January
21 1, 2028 and prior to January 1, 2029:

22 (a) one thousand four hundred seventy
23 dollars (\$1,470) for a new electric vehicle;

24 (b) one thousand two hundred
25 twenty-five dollars (\$1,225) for a new plug-in hybrid

1 electric vehicle or fuel cell vehicle;

2 (c) one thousand two hundred
3 twenty-five dollars (\$1,225) for a previously owned electric
4 vehicle; and

5 (d) nine hundred eighty dollars (\$980)
6 for a previously owned plug-in hybrid electric vehicle or
7 fuel cell vehicle; and

8 (4) for the taxable year beginning January
9 1, 2029:

10 (a) nine hundred sixty dollars (\$960)
11 for a new electric vehicle;

12 (b) eight hundred dollars (\$800) for a
13 new plug-in hybrid electric vehicle or fuel cell vehicle;

14 (c) eight hundred dollars (\$800) for a
15 previously owned electric vehicle; and

16 (d) six hundred forty dollars (\$640)
17 for a previously owned plug-in hybrid electric vehicle or
18 fuel cell vehicle.

19 C. For a previously owned vehicle to be eligible
20 for the tax credit, the vehicle shall have a model year that
21 is at least two years prior to the calendar year in which the
22 taxpayer purchased or leased the vehicle.

23 D. A taxpayer shall apply for certification of
24 eligibility for the tax credit from the energy, minerals and
25 natural resources department on forms and in the manner

1 prescribed by that department. Only one tax credit shall be
2 certified per taxpayer per taxable year. The energy,
3 minerals and natural resources department may promulgate
4 rules governing the procedure for administering the
5 provisions of this subsection.

6 E. An application for certification of
7 eligibility shall include proof of vehicle purchase from or
8 lease through a dealer licensed by the motor vehicle division
9 of the department pursuant to Section 66-4-2 NMSA 1978 or a
10 dealer located on tribal land within New Mexico, the
11 vehicle's registration or application for title and
12 registration in New Mexico and any additional information the
13 energy, minerals and natural resources department may require
14 to determine eligibility for the credit. If the energy,
15 minerals and natural resources department determines that the
16 taxpayer meets the requirements of this section, that
17 department shall issue a dated certificate of eligibility to
18 the taxpayer providing the amount of tax credit for which the
19 taxpayer is eligible and the taxable years in which the
20 credit may be claimed. The energy, minerals and natural
21 resources department shall provide the department with the
22 certificates of eligibility issued pursuant to this
23 subsection in an electronic format at regularly agreed upon
24 intervals.

25 F. Applications for certification of the tax

1 credit shall be made no later than one year from the date on
2 which the vehicle is purchased or the lease is entered into.

3 G. A certificate of eligibility for the tax
4 credit may be sold, exchanged or otherwise transferred to
5 another taxpayer for the full value of the credit. The
6 parties to such a transaction shall notify the department of
7 the sale, exchange or transfer within ten days of the sale,
8 exchange or transfer in an electronic format prescribed by
9 the department.

10 H. That portion of the tax credit claimed by a
11 taxpayer that exceeds the taxpayer's income tax liability in
12 the taxable year in which a clean car corporate income tax
13 credit is claimed shall be refunded to the taxpayer.

14 I. A taxpayer allowed to claim the tax credit
15 shall claim the tax credit in a manner required by the
16 department. The credit shall be claimed within three taxable
17 years of the end of the year in which the energy, minerals
18 and natural resources department certifies the credit.

19 J. As used in this section:

20 (1) "electric vehicle" means a motor
21 vehicle that derives all of the vehicle's power from
22 electricity stored in a battery that:

23 (a) has a capacity of not less than
24 twenty-five kilowatt-hours;

25 (b) is capable of powering the vehicle

1 for a range of at least one hundred miles; and

2 (c) is capable of being recharged from
3 an external source of electricity;

4 (2) "fuel cell vehicle" means a motor
5 vehicle that:

6 (a) uses a fuel cell to produce
7 electricity that is used to drive an electric motor; and

8 (b) is capable of powering the vehicle
9 for a range of at least one hundred miles;

10 (3) "motor vehicle" means a vehicle with
11 four wheels that:

12 (a) is required under the Motor
13 Vehicle Code to be registered in this state and that is
14 registered in this state;

15 (b) is made by a manufacturer;

16 (c) is manufactured primarily for use
17 on public streets, roads or highways;

18 (d) has not been modified from the
19 original manufacturer specifications;

20 (e) is rated at not less than two
21 thousand two hundred pounds unloaded base weight and not more
22 than nine thousand seven hundred fifty pounds unloaded base
23 weight;

24 (f) has a maximum speed capability of
25 at least sixty-five miles per hour; and

1 (g) is purchased from or leased
2 through a dealer licensed by the motor vehicle division of
3 the department pursuant to Section 66-4-2 NMSA 1978 or a
4 dealer located on tribal land within New Mexico;

5 (4) "new" means a motor vehicle that has a
6 base manufacturer suggested retail price, before options and
7 destination charges and before any taxes are imposed, of
8 fifty-five thousand dollars (\$55,000) or less;

9 (5) "plug-in hybrid electric vehicle" means
10 a motor vehicle that derives part of the vehicle's power from
11 electricity stored in a battery that:

12 (a) has a capacity of not less than
13 six kilowatt-hours;

14 (b) is capable of powering a vehicle
15 for a range of at least thirty miles; and

16 (c) is capable of being recharged from
17 an external source of electricity;

18 (6) "previously owned" means a motor
19 vehicle that is not new and that has a market value of
20 twenty-five thousand dollars (\$25,000) or less; and

21 (7) "tribal land" means all land owned by a
22 tribe and located within the exterior boundaries of the
23 tribe's reservation or grant and all land held by the United
24 States in trust for the tribe."

25 **SECTION 30.** A new section of the Corporate Income and

1 Franchise Tax Act is enacted to read:

2 "CLEAN CAR CHARGING UNIT CORPORATE INCOME TAX CREDIT.--

3 A. A taxpayer that, beginning on the effective
4 date of this section and prior to January 1, 2030, purchases
5 and installs an electric vehicle charging unit or fuel cell
6 charging unit in New Mexico may claim a credit against the
7 taxpayer's tax liability imposed pursuant to the Corporate
8 Income and Franchise Tax Act in an amount provided in
9 Subsection B of this section. The tax credit provided by
10 this section may be referred to as the "clean car charging
11 unit corporate income tax credit".

12 B. The amount of tax credit shall be in an amount
13 equal to:

14 (1) for a direct current fast charger or
15 fuel cell charging unit, twenty-five thousand dollars
16 (\$25,000) or the cost to purchase and install the direct
17 current fast charger or fuel cell charging unit, whichever is
18 less; and

19 (2) for all other electric vehicle charging
20 units, four hundred dollars (\$400) or the cost to purchase
21 and install the electric vehicle charging unit, whichever is
22 less.

23 C. A taxpayer shall apply for certification of
24 eligibility for the tax credit from the energy, minerals and
25 natural resources department on forms and in the manner

1 prescribed by that department. Only one tax credit shall be
2 certified for a direct current fast charger or a fuel cell
3 charging unit per taxpayer per taxable year. The energy,
4 minerals and natural resources department may issue rules
5 governing the procedure for administering the provisions of
6 this subsection.

7 D. An application for certification of
8 eligibility shall include:

9 (1) a receipt for the purchase and
10 installation of the electric vehicle charging unit or fuel
11 cell charging unit;

12 (2) for electric vehicle charging units, a
13 copy of the data sheet that specifies the connector type,
14 plug type, voltage and current of the electric vehicle
15 charging unit;

16 (3) for a fuel cell charging unit,
17 technical specifications on the fuel dispensing unit and fuel
18 storage system, including information about operational
19 pressures of the fuel cell charging unit; and

20 (4) any other information the energy,
21 minerals and natural resources department may require to
22 evaluate eligibility for the credit.

23 E. If the energy, minerals and natural resources
24 department determines that the taxpayer meets the
25 requirements of this section, that department shall issue a

1 dated certificate of eligibility to the taxpayer providing
2 the amount of tax credit for which the taxpayer is eligible
3 and the taxable years in which the credit may be claimed.
4 The energy, minerals and natural resources department shall
5 provide the department certificates of eligibility issued in
6 an electronic format at regularly agreed upon intervals.

7 F. An application for certification of the tax
8 credit shall be made no later than one year from the date in
9 which the electric vehicle charging unit or fuel cell
10 charging unit for which the credit is claimed is purchased
11 and installed.

12 G. That portion of tax credit that exceeds a
13 taxpayer's income tax liability in the taxable year in which
14 the credit is claimed shall be refunded to the taxpayer.

15 H. A taxpayer allowed to claim a tax credit
16 pursuant to this section shall claim the tax credit in a
17 manner required by the department. The credit shall be
18 claimed within three taxable years of the end of the year in
19 which the energy, minerals and natural resources department
20 certifies the credit.

21 I. A taxpayer that claims the 2021 sustainable
22 building tax credit for expenses of purchasing or installing
23 an electric vehicle charging unit or fuel cell charging unit
24 shall not be eligible to claim the tax credit provided by
25 this section.

1 J. As used in this section:

2 (1) "direct current fast charger" means an
3 electric vehicle charging unit that provides at least fifty
4 kilowatts of direct current electrical power for charging an
5 electric vehicle through a connector based on fast charging
6 equipment standards and that is approved for installation for
7 that purpose under the National Electrical Code through an
8 underwriters laboratories certification or an equivalent
9 certifying organization;

10 (2) "electric vehicle" means a motor
11 vehicle subject to the registration fee pursuant to Section
12 66-6-2 or 66-6-4 NMSA 1978 that derives all of the vehicle's
13 power from electricity stored in a battery that:

14 (a) has a capacity of not less than
15 twenty-five kilowatt-hours;

16 (b) is capable of powering the vehicle
17 for a range of at least one hundred miles; and

18 (c) is capable of being recharged from
19 an external source of electricity;

20 (3) "electric vehicle charging unit" means
21 a device that:

22 (a) is used to provide electricity to
23 an electric vehicle or plug-in hybrid electric vehicle;

24 (b) is designed to create a connection
25 between an electricity source and the electric vehicle or

1 plug-in hybrid electric vehicle; and

2 (c) uses the electric vehicle's or
3 plug-in hybrid electric vehicle's control system to ensure
4 that electricity flows at an appropriate voltage and current
5 level;

6 (4) "fuel cell charging unit" means a
7 facility or unit that dispenses liquefied or compressed
8 hydrogen for fuel cell vehicle refueling and that is approved
9 for installation for that purpose under applicable codes and
10 compliant with requirements of applicable certifying
11 organizations;

12 (5) "fuel cell vehicle" means a motor
13 vehicle subject to the registration fee pursuant to Section
14 66-6-2 or 66-6-4 NMSA 1978 that:

15 (a) uses a fuel cell to produce
16 electricity that is used to drive an electric motor; and

17 (b) is capable of powering the vehicle
18 for a range of at least one hundred miles; and

19 (6) "plug-in hybrid electric vehicle" means
20 a motor vehicle subject to the registration fee pursuant to
21 Section 66-6-2 or 66-6-4 NMSA 1978 that derives part of the
22 vehicle's power from electricity stored in a battery that:

23 (a) has a capacity of not less than
24 six kilowatt-hours;

25 (b) is capable of powering a vehicle

1 for a range of at least thirty miles; and

2 (c) is capable of being recharged from
3 an external source of electricity."

4 SECTION 31. Section 7-4-10 NMSA 1978 (being Laws 1993,
5 Chapter 153, Section 1, as amended) is amended to read:

6 "7-4-10. APPORTIONMENT OF BUSINESS INCOME.--

7 A. Except as provided in Subsections B and C of
8 this section, all business income shall be apportioned to
9 this state by multiplying the income by a fraction, the
10 numerator of which is the property factor plus the payroll
11 factor plus the sales factor and the denominator of which is
12 three.

13 B. If eighty percent or more of the New Mexico
14 numerators of the property and payroll factors for a filing
15 group, or for a taxpayer that is not a member of a filing
16 group, are employed in manufacturing or operating a computer
17 processing facility, the filing group or the taxpayer may
18 elect to have business income apportioned to this state by
19 multiplying the income by the sales factor for the taxable
20 year.

21 C. If a filing group, or a taxpayer that is not a
22 member of a filing group, has a headquarters operation in New
23 Mexico, the filing group or the taxpayer may elect to have
24 business income apportioned to this state by multiplying the
25 income by the sales factor for the taxable year.

1 D. To elect the method of apportionment provided
2 by Subsection B or C of this section, the taxpayer shall
3 notify the department of the election, in writing, no later
4 than the date on which the taxpayer files the return for the
5 first taxable year to which the election will apply. The
6 election shall apply as follows:

7 (1) if the election is made for taxable
8 years beginning prior to January 1, 2020, to the taxable year
9 in which the election is made and to each taxable year
10 thereafter for three years, or until the taxable year ending
11 prior to January 1, 2020, whichever is earlier;

12 (2) if the election is made for a taxable
13 year beginning on or after January 1, 2020, to the taxable
14 year in which the election is made and to each taxable year
15 thereafter until the taxpayer notifies the department, in
16 writing, that the election is terminated, except that the
17 taxpayer shall not terminate the election until the method of
18 apportioning business income provided by Subsection B or C of
19 this section has been used by the taxpayer for at least three
20 consecutive taxable years, including a total of at least
21 thirty-six calendar months; and

22 (3) if the election is made by a qualifying
23 filing group, the election shall apply to the members of the
24 filing group properly included pursuant to Section 7-2A-8.3
25 NMSA 1978.

1 E. For purposes of this section:

2 (1) "filing group" means "filing group" as
3 that term is defined in the Corporate Income and Franchise
4 Tax Act;

5 (2) "headquarters operation" means:

6 (a) the center of operations of a
7 business: 1) where corporate staff employees are physically
8 employed; 2) where the centralized functions are primarily
9 performed, including administrative, planning, managerial,
10 human resources, purchasing, information technology and
11 accounting, but not including operating a call center; 3) the
12 function and purpose of which is to manage and direct most
13 aspects and functions of the business operations within a
14 subdivided area of the United States; 4) from which final
15 authority over regional or subregional offices, operating
16 facilities and any other offices of the business are issued;
17 and 5) including national and regional headquarters if the
18 national headquarters is subordinate only to the ownership of
19 the business or its representatives and the regional
20 headquarters is subordinate to the national headquarters; or

21 (b) the center of operations of a
22 business: 1) the function and purpose of which is to manage
23 and direct most aspects of one or more centralized functions;
24 and 2) from which final authority over one or more
25 centralized functions is issued;

1 (3) "manufacturing" means combining or
2 processing components or materials to increase their value
3 for sale in the ordinary course of business, but does not
4 include:

5 (a) construction;

6 (b) farming;

7 (c) power generation; provided that
8 "manufacturing" includes electricity generation at a facility
9 that does not require location approval and a certificate of
10 convenience and necessity prior to commencing construction or
11 operation of the facility pursuant to the Public Utility Act;

12 (d) processing natural resources,
13 including hydrocarbons; or

14 (e) processing or preparation of meals
15 for immediate consumption; and

16 (4) "operating a computer processing
17 facility" means managing the necessary and ancillary
18 activities for the operation of a facility primarily used to
19 process data or information, but does not include managing
20 the operation of facilities that are predominantly used to
21 support sales of tangible property or the provision of
22 banking, financial or professional services."

23 **SECTION 32.** Section 7-2-5.13 NMSA 1978 (being Laws
24 2022, Chapter 47, Section 6) is amended to read:

25 "7-2-5.13. EXEMPTION--ARMED FORCES RETIREMENT PAY.--

1 A. An individual who is an armed forces retiree
2 or the surviving spouse of an armed forces retiree may claim
3 an exemption in an amount equal to thirty thousand dollars
4 (\$30,000) of armed forces retirement pay includable, except
5 for this exemption, in net income.

6 B. As used in this section, "armed forces
7 retiree" means a former member of the armed forces of the
8 United States who has qualified by years of service or
9 disability to separate from military service with lifetime
10 benefits."

11 SECTION 33. A new section of the Income Tax Act is
12 enacted to read:

13 "GEOTHERMAL ELECTRICITY GENERATION INCOME TAX CREDIT.--

14 A. For taxable years prior to January 1, 2032, a
15 taxpayer who is not a dependent of another individual and who
16 holds an interest in a geothermal electricity generation
17 facility may apply for, and the department may allow, a
18 credit against the taxpayer's tax liability imposed pursuant
19 to the Income Tax Act. The tax credit provided by this
20 section may be referred to as the "geothermal electricity
21 generation income tax credit".

22 B. The amount of a tax credit allowed pursuant to
23 this section shall be an amount equal to one and one-half
24 cents (\$0.015) per kilowatt-hour of electricity generated in
25 New Mexico in a taxable year by the geothermal electricity

1 generation facility in which the taxpayer holds an interest.

2 C. A taxpayer shall apply for certification of
3 eligibility for the credit provided by this section from the
4 energy, minerals and natural resources department on forms
5 and in the manner prescribed by that department. The total
6 annual aggregate amount of credits that may be certified for
7 geothermal electricity generation income tax credits and
8 geothermal electricity generation corporate income tax
9 credits in any calendar year is five million dollars
10 (\$5,000,000). Completed applications shall be considered in
11 the order received. Applications for certification received
12 after this limitation has been met in a calendar year shall
13 not be approved for that calendar year, but shall be
14 considered for certification in the following calendar year.
15 The application shall include proof that the taxpayer is
16 eligible for certification, including that the geothermal
17 electricity generation facility that produced the energy for
18 which the taxpayer is claiming credit, the geothermal
19 resources used by the geothermal electricity generation
20 facility and the taxpayer's interest in the geothermal
21 electricity generation facility are in accordance with the
22 definitions set forth in this section. For taxpayers
23 approved to receive the credit, the energy, minerals and
24 natural resources department shall issue a certificate of
25 eligibility stating the amount of credit to which the

1 taxpayer is entitled and the taxable year in which the credit
2 may be claimed. The certificate of eligibility shall be
3 numbered for identification and declare the date of issuance
4 and the amount of the tax credit allowed.

5 D. A taxpayer may claim a geothermal electricity
6 generation income tax credit for the taxable year in which
7 electricity was generated in New Mexico by a geothermal
8 electricity generation facility in which the taxpayer holds
9 an interest. To receive the credit provided by this section,
10 a taxpayer shall apply to the department on forms and in the
11 manner prescribed by the department. The application shall
12 include a certification made pursuant to Subsection C of this
13 section.

14 E. That portion of a credit that exceeds a
15 taxpayer's tax liability in the taxable year in which the
16 credit is claimed may be carried forward for up to three
17 consecutive years.

18 F. Married individuals filing separate returns
19 for a taxable year for which they could have filed a joint
20 return may each claim only one-half of the credit that would
21 have been claimed on a joint return.

22 G. A taxpayer may be allocated the right to claim
23 a credit provided by this section in proportion to the
24 taxpayer's ownership interest if the taxpayer owns an
25 interest in a business entity that is taxed for federal

1 income tax purposes as a partnership or limited liability
2 company and that business entity has met all of the
3 requirements to be eligible for the credit. The total credit
4 claimed by all members of the partnership or limited
5 liability company shall not exceed the maximum amount of the
6 credit allowed pursuant to this section.

7 H. A taxpayer allowed a tax credit pursuant to
8 this section shall report the amount of the credit to the
9 department in a manner required by the department.

10 I. The department shall compile an annual report
11 on the credit provided by this section that shall include the
12 number of taxpayers approved by the department to receive the
13 credit, the aggregate amount of credits approved and any
14 other information necessary to evaluate the credit. The
15 department shall present the report to the revenue
16 stabilization and tax policy committee and the legislative
17 finance committee with an analysis of the cost of the tax
18 credit.

19 J. As used in this section:

20 (l) "geothermal electricity generation
21 facility" means a facility located in New Mexico that
22 generates electricity from geothermal resources and:

23 (a) for new facilities, begins
24 construction on or after January 1, 2025; or

25 (b) for existing facilities, on or

1 after January 1, 2025, increases the amount of electricity
2 generated from geothermal resources the facility generated
3 prior to that date by at least one hundred percent;

4 (2) "geothermal resources" means the
5 natural heat of the earth in excess of two hundred fifty
6 degrees Fahrenheit or the energy, in whatever form, below the
7 surface of the earth present in, resulting from, created by
8 or that may be extracted from this natural heat in excess of
9 two hundred fifty degrees Fahrenheit and all minerals in
10 solution or other products obtained from naturally heated
11 fluids, brines, associated gases and steam, in whatever form,
12 found below the surface of the earth, but excluding oil,
13 hydrocarbon gas and other hydrocarbon substances and
14 excluding the heating and cooling capacity of the earth not
15 resulting from the natural heat of the earth in excess of two
16 hundred fifty degrees Fahrenheit as may be used for the
17 heating and cooling of buildings through an on-site
18 geoexchange heat pump or similar on-site system; and

19 (3) "interest in a geothermal electricity
20 generation facility" means title to a geothermal electricity
21 generation facility; a leasehold interest in such facility;
22 an ownership interest in a business or entity that is taxed
23 for federal income tax purposes as a partnership that holds
24 title to or a leasehold interest in such facility; or an
25 ownership interest, through one or more intermediate entities

1 that are each taxed for federal income tax purposes as a
2 partnership, in a business that holds title to or a leasehold
3 interest in such facility."

4 SECTION 34. A new section of the Corporate Income and
5 Franchise Tax Act is enacted to read:

6 "GEOTHERMAL ELECTRICITY GENERATION CORPORATE INCOME TAX
7 CREDIT.--

8 A. For taxable years prior to January 1, 2032, a
9 taxpayer that holds an interest in a geothermal electricity
10 generation facility may apply for, and the department may
11 allow, a credit against the taxpayer's tax liability imposed
12 pursuant to the Corporate Income and Franchise Tax Act. The
13 tax credit provided by this section may be referred to as the
14 "geothermal electricity generation corporate income tax
15 credit".

16 B. The amount of a tax credit allowed pursuant to
17 this section shall be an amount equal to one and one-half
18 cents (\$0.015) per kilowatt-hour of electricity generated in
19 New Mexico in a taxable year by the geothermal electricity
20 generation facility in which the taxpayer holds an interest.

21 C. A taxpayer shall apply for certification of
22 eligibility for the credit provided by this section from the
23 energy, minerals and natural resources department on forms
24 and in the manner prescribed by that department. The total
25 annual aggregate amount of geothermal electricity generation

1 corporate income tax credits and geothermal electricity
2 generation income tax credits that may be certified in any
3 calendar year is five million dollars (\$5,000,000).
4 Completed applications shall be considered in the order
5 received. Applications for certification received after this
6 limitation has been met in a calendar year shall not be
7 approved for that calendar year, but shall be considered for
8 certification in the following calendar year. The
9 application shall include proof that the taxpayer is eligible
10 for certification, including that the geothermal electricity
11 generation facility that produced the energy for which the
12 taxpayer is claiming credit, the geothermal resources used by
13 the geothermal electricity generation facility and the
14 taxpayer's interest in the geothermal electricity generation
15 facility are in accordance with the definitions set forth in
16 this section. For taxpayers approved to receive the credit,
17 the energy, minerals and natural resources department shall
18 issue a certificate of eligibility stating the amount of
19 credit to which the taxpayer is entitled and the taxable year
20 in which the credit may be claimed. The certificate of
21 eligibility shall be numbered for identification and declare
22 the date of issuance and the amount of the tax credit
23 allowed.

24 D. A taxpayer may claim a geothermal electricity
25 generation corporate income tax credit for the taxable year

1 in which electricity was generated in New Mexico by a
2 geothermal electricity generation facility in which the
3 taxpayer holds an interest. To receive the credit provided
4 by this section, a taxpayer shall apply to the department on
5 forms and in the manner prescribed by the department. The
6 application shall include a certification made pursuant to
7 Subsection C of this section.

8 E. That portion of a credit that exceeds a
9 taxpayer's tax liability in the taxable year in which the
10 credit is claimed may be carried forward for up to three
11 consecutive years.

12 F. A taxpayer allowed a tax credit pursuant to
13 this section shall report the amount of the credit to the
14 department in a manner required by that department.

15 G. The department shall compile an annual report
16 on the credit provided by this section that shall include the
17 number of taxpayers approved by the department to receive the
18 credit, the aggregate amount of credits approved and any
19 other information necessary to evaluate the credit. The
20 department shall present the report to the revenue
21 stabilization and tax policy committee and the legislative
22 finance committee with an analysis of the cost of the tax
23 credit.

24 H. As used in this section:

25 (1) "geothermal electricity generation

1 facility" means a facility located in New Mexico that
2 generates electricity from geothermal resources and:

3 (a) for new facilities, begins
4 construction on or after January 1, 2025; or

5 (b) for existing facilities, on or
6 after January 1, 2025, increases the amount of electricity
7 generated from geothermal resources the facility generated
8 prior to that date by at least one hundred percent;

9 (2) "geothermal resources" means the
10 natural heat of the earth in excess of two hundred fifty
11 degrees Fahrenheit or the energy, in whatever form, below the
12 surface of the earth present in, resulting from, created by
13 or that may be extracted from this natural heat in excess of
14 two hundred fifty degrees Fahrenheit and all minerals in
15 solution or other products obtained from naturally heated
16 fluids, brines, associated gases and steam, in whatever form,
17 found below the surface of the earth, but excluding oil,
18 hydrocarbon gas and other hydrocarbon substances and
19 excluding the heating and cooling capacity of the earth not
20 resulting from the natural heat of the earth in excess of two
21 hundred fifty degrees Fahrenheit as may be used for the
22 heating and cooling of buildings through an on-site
23 geoexchange heat pump or similar on-site system; and

24 (3) "interest in a geothermal electricity
25 generation facility" means title to a geothermal electricity

1 generation facility; a leasehold interest in such facility;
2 an ownership interest in a business or entity that is taxed
3 for federal income tax purposes as a partnership that holds
4 title to or a leasehold interest in such facility; or an
5 ownership interest, through one or more intermediate entities
6 that are each taxed for federal income tax purposes as a
7 partnership, in a business that holds title to or a leasehold
8 interest in such facility."

9 SECTION 35. A new section of the Income Tax Act is
10 enacted to read:

11 "ADVANCED ENERGY EQUIPMENT INCOME TAX CREDIT.--

12 A. The tax credit provided by this section may be
13 referred to as the "advanced energy equipment income tax
14 credit". A taxpayer who is not a dependent of another
15 individual, who makes qualified expenditures for a qualified
16 manufacturing facility located in New Mexico and who files an
17 individual New Mexico income tax return for a taxable year
18 beginning on or after January 1, 2025, and prior to January
19 1, 2033, may claim the tax credit in the amount provided in
20 Subsection B of this section.

21 B. The amount of the tax credit shall be in an
22 amount equal to the lesser of twenty percent of the amount of
23 the qualified expenditures made by the taxpayer for a
24 qualified manufacturing facility or twenty-five million
25 dollars (\$25,000,000).

1 C. Prior to incurring a qualified expenditure, a
2 taxpayer shall apply for preliminary certification of
3 eligibility for the tax credit from the energy, minerals and
4 natural resources department on forms and in the manner
5 prescribed by that department. Such preliminary
6 certification shall be made in consultation with the economic
7 development department and shall be limited to confirming
8 that the qualified expenditures proposed to be made by the
9 taxpayer will in whole or in part be used to produce advanced
10 energy products and providing an estimate of the amount of
11 tax credit for which the taxpayer may be eligible. Only one
12 certificate of eligibility shall be issued for all activities
13 performed at a qualified manufacturing facility, regardless
14 of ownership of the facility.

15 D. Within twelve months of commencement of
16 production of any advanced energy product, the taxpayer shall
17 seek final certification from the energy, minerals and
18 natural resources department. The total annual aggregate
19 amount of advanced energy equipment income tax credits and
20 advanced energy equipment corporate income tax credits that
21 may be certified in a calendar year shall not exceed
22 twenty-five million dollars (\$25,000,000). An application
23 for final certification shall include information required by
24 the energy, minerals and natural resources department to
25 determine eligibility for the tax credit, including

1 information substantiating qualified expenditures. If, after
2 consultation with the economic development department, the
3 energy, minerals and natural resources department determines
4 that the taxpayer meets the requirements of this section, the
5 energy, minerals and natural resources department shall issue
6 a dated certificate of eligibility to the taxpayer providing
7 the amount of tax credit for which the taxpayer is eligible
8 and the taxable years in which the credit may be claimed.
9 The energy, minerals and natural resources department shall
10 provide the department with the certificates of eligibility
11 issued pursuant to this subsection in an electronic format at
12 regularly agreed-upon intervals. A certificate of
13 eligibility for the tax credit may be sold, exchanged or
14 otherwise transferred to another taxpayer in increments of
15 not less than one million dollars (\$1,000,000); provided that
16 if the total amount certified is less than one million
17 dollars (\$1,000,000), the certificate of the entire amount of
18 the credit may be transferred. The parties to such a
19 transaction shall notify the department of the sale, exchange
20 or transfer within ten days of the sale, exchange or transfer
21 in an electronic format prescribed by the department.

22 E. A taxpayer allowed to claim the tax credit
23 shall claim the credit in a manner required by the
24 department. The tax credit shall be claimed within one year
25 of receiving final certification from the energy, minerals

1 and natural resources department. The taxpayer shall claim
2 the amount certified and approved against the taxpayer's
3 income tax liabilities. Any amount of credit that exceeds
4 the taxpayer's income tax liabilities may be carried forward
5 for five consecutive taxable years. A taxpayer who claims
6 the tax credit shall report to the department and the energy,
7 minerals and natural resources department on the continued
8 operations of the qualified manufacturing facility.

9 F. Married individuals filing separate returns
10 for a taxable year for which they could have filed a joint
11 return may each claim only one-half of the tax credit that
12 would have been claimed on a joint return.

13 G. A taxpayer may be allocated the right to claim
14 the tax credit in a proportion to the taxpayer's ownership
15 interest if the taxpayer owns an interest in a business
16 entity that is taxed for federal income tax purposes as a
17 partnership or limited liability company and that business
18 entity has met all of the requirements to be eligible for the
19 credit. The total credit claimed by all members of the
20 partnership or limited liability company shall not exceed the
21 allowable credit pursuant to this section.

22 H. If the taxpayer or a successor in the business
23 of the taxpayer ceases operations at the qualifying
24 manufacturing facility or ceases to produce advanced energy
25 products for at least one hundred eighty days within a

1 two-year period after the taxpayer has claimed the tax
2 credit, any amount of credit that received final
3 certification with respect to that facility that is not
4 claimed against a taxpayer's tax liability shall be
5 extinguished, and within thirty days after the one hundred
6 eightieth day of cessation of operations, the taxpayer who
7 received final certification pursuant to Subsection D of this
8 section shall pay to the department the tax liability against
9 which the certified credit was claimed. For the purposes of
10 this section, a taxpayer shall not be deemed to have ceased
11 operations during reasonable periods for maintenance or
12 retooling, for the repair or replacement of facilities
13 damaged or destroyed or during labor disputes.

14 I. As used in this section:

15 (1) "advanced energy product" means a
16 technology, product, system or component eligible for a
17 federal tax credit under Section 45X of the Internal Revenue
18 Code;

19 (2) "essential" means directly necessary to
20 the production of an advanced energy products;

21 (3) "manufacturing equipment" means an
22 essential machine, mechanism or tool or a component of an
23 essential machine, mechanism or tool used directly and
24 exclusively in a taxpayer's qualified manufacturing facility
25 and that is subject to depreciation pursuant to the Internal

1 Revenue Code by the taxpayer carrying on the manufacturing.
2 "Manufacturing equipment" does not include a vehicle that
3 leaves the site of a manufacturing operation for the purpose
4 of transporting persons or property, including property for
5 which the taxpayer claims a credit pursuant to Section 7-9-79
6 NMSA 1978;

7 (4) "qualified expenditure" means an
8 expenditure made on or after January 1, 2025 and prior to
9 January 1, 2033 for the purchase of that portion of the costs
10 of manufacturing equipment dedicated to manufacturing
11 advanced energy products; and

12 (5) "qualified manufacturing facility"
13 means a facility located in New Mexico, including any
14 connected, associated or subsidiary facilities, that employs
15 personnel to perform production tasks with manufacturing
16 equipment not previously existing at the facility to produce
17 advanced energy products."

18 SECTION 36. A new section of the Corporate Income and
19 Franchise Tax Act is enacted to read:

20 "ADVANCED ENERGY EQUIPMENT CORPORATE INCOME TAX
21 CREDIT.--

22 A. The tax credit provided by this section may be
23 referred to as the "advanced energy equipment corporate
24 income tax credit". A taxpayer that makes qualified
25 expenditures for a qualified manufacturing facility located

1 in New Mexico and that files a corporate income tax return
2 for a taxable year beginning on or after January 1, 2025, and
3 prior to January 1, 2033, may claim the tax credit in the
4 amount provided in Subsection B of this section.

5 B. The amount of the tax credit shall be in an
6 amount equal to the lesser of twenty percent of the amount of
7 the qualified expenditures made by the taxpayer for a
8 qualified manufacturing facility or twenty-five million
9 dollars (\$25,000,000).

10 C. Prior to incurring a qualified expenditure, a
11 taxpayer shall apply for preliminary certification of
12 eligibility for the tax credit from the energy, minerals and
13 natural resources department on forms and in the manner
14 prescribed by that department. Such preliminary
15 certification shall be made in consultation with the economic
16 development department and shall be limited to confirming
17 that the qualified expenditures proposed to be made by the
18 taxpayer will in whole or in part be used to produce advanced
19 energy products and providing an estimate of the amount of
20 tax credit for which the taxpayer may be eligible. Only one
21 certificate of eligibility shall be issued for all activities
22 performed at a qualified manufacturing facility, regardless
23 of ownership of the facility.

24 D. Within twelve months of commencement of
25 production of any advanced energy product, the taxpayer shall

1 seek final certification from the energy, minerals and
2 natural resources department. The total annual aggregate
3 amount of advanced energy equipment corporate income tax
4 credits and advanced energy equipment income tax credits that
5 may be certified in a calendar year shall not exceed
6 twenty-five million dollars (\$25,000,000). An application
7 for final certification shall include information required by
8 the energy, minerals and natural resources department to
9 determine eligibility for the tax credit, including
10 information substantiating qualified expenditures. If, after
11 consultation with the economic development department, the
12 energy, minerals and natural resources department determines
13 that the taxpayer meets the requirements of this section, the
14 energy, minerals and natural resources department shall issue
15 a dated certificate of eligibility to the taxpayer providing
16 the amount of tax credit for which the taxpayer is eligible
17 and the taxable years in which the credit may be claimed.
18 The energy, minerals and natural resources department shall
19 provide the department with the certificates of eligibility
20 issued pursuant to this subsection in an electronic format at
21 regularly agreed-upon intervals. A certificate of
22 eligibility for the tax credit may be sold, exchanged or
23 otherwise transferred to another taxpayer in increments of
24 not less than one million dollars (\$1,000,000); provided that
25 if the total amount certified is less than one million

1 dollars (\$1,000,000), a certificate of the entire amount of
2 the credit may be transferred. The parties to such a
3 transaction shall notify the department of the sale, exchange
4 or transfer within ten days of the sale, exchange or transfer
5 in an electronic format prescribed by the department.

6 E. A taxpayer allowed to claim the tax credit
7 shall claim the credit in a manner required by the
8 department. The tax credit shall be claimed within one year
9 of receiving final certification from the energy, minerals
10 and natural resources department. The taxpayer shall claim
11 the amount certified and approved against the taxpayer's
12 corporate income tax liabilities. Any amount of credit that
13 exceeds the taxpayer's corporate income tax liabilities may
14 be carried forward for five consecutive taxable years. A
15 taxpayer that claims the tax credit shall report to the
16 department and the energy, minerals and natural resources
17 department on the continued operations of the qualified
18 manufacturing facility.

19 F. If the taxpayer or a successor in the business
20 of the taxpayer ceases operations at the qualifying
21 manufacturing facility or ceases to produce advanced energy
22 products for at least one hundred eighty days within a
23 two-year period after the taxpayer has claimed the tax
24 credit, any amount of credit that received final
25 certification with respect to that facility that is not

1 claimed against a taxpayer's tax liability shall be
2 extinguished, and within thirty days after the one hundred
3 eightieth day of cessation of operations, the taxpayer that
4 received final certification pursuant to Subsection D of this
5 section shall pay to the department the tax liability against
6 which the certified credit was claimed. For the purposes of
7 this section, a taxpayer shall not be deemed to have ceased
8 operations during reasonable periods for maintenance or
9 retooling, for the repair or replacement of facilities
10 damaged or destroyed or during labor disputes.

11 G. As used in this section:

12 (1) "advanced energy product" means a
13 technology, product, system or component eligible for a
14 federal tax credit under Section 45X of the Internal Revenue
15 Code;

16 (2) "essential" means directly necessary to
17 the production of an advanced energy products;

18 (3) "manufacturing equipment" means an
19 essential machine, mechanism or tool or a component of an
20 essential machine, mechanism or tool used directly and
21 exclusively in a taxpayer's qualified manufacturing facility
22 and that is subject to depreciation pursuant to the Internal
23 Revenue Code by the taxpayer carrying on the manufacturing.

24 "Manufacturing equipment" does not include a vehicle that
25 leaves the site of a manufacturing operation for the purpose

1 of transporting persons or property, including property for
2 which the taxpayer claims a credit pursuant to Section 7-9-79
3 NMSA 1978;

4 (4) "qualified expenditure" means an
5 expenditure made on or after January 1, 2025 and prior to
6 January 1, 2033 for the purchase of that portion of the costs
7 of manufacturing equipment dedicated to manufacturing
8 advanced energy products; and

9 (5) "qualified manufacturing facility"
10 means a facility located in New Mexico, including any
11 connected, associated or subsidiary facilities, that employs
12 personnel to perform production tasks with manufacturing
13 equipment not previously existing at the facility to produce
14 advanced energy products."

15 SECTION 37. Section 7-2A-2 NMSA 1978 (being Laws 1986,
16 Chapter 20, Section 33, as amended) is amended to read:

17 "7-2A-2. DEFINITIONS.--For the purpose of the
18 Corporate Income and Franchise Tax Act and unless the context
19 requires otherwise:

20 A. "bank" means any national bank, national
21 banking association, state bank or bank holding company;

22 B. "apportioned net income" or "apportioned net
23 loss" means net income allocated and apportioned to New
24 Mexico pursuant to the provisions of the Corporate Income and
25 Franchise Tax Act or the Uniform Division of Income for Tax

1 Purposes Act, but excluding from the sales factor any sales
2 that represent intercompany transactions between members of
3 the filing group;

4 C. "base income" means the federal taxable income
5 or the federal net operating loss of a corporation for the
6 taxable year calculated pursuant to the Internal Revenue
7 Code, after special deductions provided in Sections 241
8 through 249 of the Internal Revenue Code but without any
9 deduction for net operating losses, as if the corporation
10 filed a federal tax return as a separate domestic entity,
11 modified as follows:

12 (1) adding to that income:

13 (a) interest received on a state or
14 local bond exempt under the Internal Revenue Code;

15 (b) the amount of any deduction
16 claimed in calculating taxable income for all expenses and
17 costs directly or indirectly paid, accrued or incurred to a
18 captive real estate investment trust;

19 (c) the amount of any deduction, other
20 than for premiums, for amounts paid directly or indirectly to
21 a commonly controlled entity that is exempt from corporate
22 income tax pursuant to Section 7-2A-4 NMSA 1978; and

23 (d) for taxable years beginning on or
24 after January 1, 2023, an amount equal to the amount of
25 credit claimed and allowed for that year pursuant to Section

1 7-3A-10 NMSA 1978 with respect to the distributed net income
2 of a pass-through entity;

3 (2) subtracting from that income:

4 (a) income from obligations of the
5 United States net of expenses incurred to earn that income;

6 (b) other amounts that the state is
7 prohibited from taxing because of the laws or constitution of
8 this state or the United States net of any related expenses;
9 and

10 (c) an amount equal to one hundred
11 percent of the income of the corporation under Section 951A
12 of the Internal Revenue Code, less the amount deducted
13 pursuant to Section 250 of the Internal Revenue Code;

14 (3) making other adjustments deemed
15 necessary to properly reflect income of the unitary group,
16 including attribution of income or expense related to unitary
17 assets held by related corporations that are not part of the
18 filing group; and

19 (4) for a taxpayer that conducts a lawful
20 business pursuant to the laws of this state, excludes an
21 amount equal to any expenditure that is eligible to be
22 claimed as a federal income tax deduction but is disallowed
23 pursuant to Section 280E of the Internal Revenue Code, as
24 that section may be amended or renumbered;

25 D. "captive real estate investment trust" means a

1 corporation, trust or association taxed as a real estate
2 investment trust pursuant to Section 857 of the Internal
3 Revenue Code, the shares or beneficial interests of which are
4 not regularly traded on an established securities market;
5 provided that more than fifty percent of any class of
6 beneficial interests or shares of the real estate investment
7 trust are owned directly, indirectly or constructively by the
8 taxpayer during all or a part of the taxpayer's taxable year;

9 E. "common ownership" means the direct or
10 indirect control or ownership of more than fifty percent of
11 the outstanding voting stock, ownership of which is
12 determined pursuant to Section 1563 of the Internal Revenue
13 Code, as that section may be amended or renumbered, of:

14 (1) a parent-subsidiary controlled group as
15 defined in Section 1563 of the Internal Revenue Code, except
16 that fifty percent shall be substituted for eighty percent;

17 (2) a brother-sister controlled group as
18 defined in Section 1563 of the Internal Revenue Code; or

19 (3) three or more corporations each of
20 which is a member of a group of corporations described in
21 Paragraph (1) or (2) of this subsection, and one of which is:

22 (a) a common parent corporation
23 included in a group of corporations described in Paragraph
24 (1) of this subsection; and

25 (b) included in a group of

1 corporations described in Paragraph (2) of this subsection;

2 F. "consolidated group" means the group of
3 entities properly filing a federal consolidated return under
4 the Internal Revenue Code for the taxable year;

5 G. "corporation" means corporations, joint stock
6 companies, real estate trusts organized and operated under
7 the Real Estate Trust Act, financial corporations and banks,
8 other business associations and, for corporate income tax
9 purposes, partnerships and limited liability companies taxed
10 as corporations under the Internal Revenue Code;

11 H. "department" means the taxation and revenue
12 department, the secretary of taxation and revenue or any
13 employee of the department exercising authority lawfully
14 delegated to that employee by the secretary;

15 I. "filing group" means a group of corporations
16 properly included in a return pursuant to Section 7-2A-8.3
17 NMSA 1978 for a particular taxable year;

18 J. "fiscal year" means any accounting period of
19 twelve months ending on the last day of any month other than
20 December;

21 K. "grandfathered net operating loss carryover"
22 means:

23 (1) the amount of net loss properly
24 reported to New Mexico for taxable years beginning January 1,
25 2013 and prior to January 1, 2020 as part of a timely filed

1 original return, or an amended return for those taxable years
2 filed prior to January 1, 2020, to the extent such loss can
3 be attributed to one or more corporations that are properly
4 included in the taxpayer's return for the first taxable year
5 beginning on or after January 1, 2020;

6 (2) reduced by:

7 (a) adding back deductions that were
8 taken by the corporation or corporations for royalties or
9 interest paid to one or more related corporations, but only
10 to the extent that such adjustment would not create a net
11 loss for such related corporations; and

12 (b) the amount of net operating loss
13 deductions taken prior to January 1, 2020 that would be
14 charged against those losses consistent with the Internal
15 Revenue Code and provisions of the Corporate Income and
16 Franchise Tax Act applicable to the year of the deduction;
17 and

18 (3) apportioned to New Mexico using the
19 apportionment factors that can properly be attributed to the
20 corporation or corporations for the year of the net loss;

21 L. "Internal Revenue Code" means the United
22 States Internal Revenue Code of 1986, as amended;

23 M. "net income" means:

24 (1) the base income of a corporation
25 properly filing a tax return as a separate entity; or

1 (2) the combined base income and losses of
2 corporations that are part of a filing group that is computed
3 after eliminating intercompany income and expense in a manner
4 consistent with the consolidated filing requirements of the
5 Internal Revenue Code and the Corporate Income and Franchise
6 Tax Act;

7 N. "net operating loss carryover" means the
8 apportioned net loss properly reported on an original or
9 amended tax return for taxable years beginning on or after
10 January 1, 2020 by the taxpayer:

11 (1) plus:

12 (a) the portion of an apportioned net
13 loss properly reported to New Mexico for a taxable year
14 beginning on or after January 1, 2020, on a separate year
15 return, to the extent the taxpayer would have been entitled
16 to include the portion of such apportioned net loss in the
17 taxpayer's consolidated net operating loss carryforward under
18 the Internal Revenue Code if the taxpayer filed a
19 consolidated federal return; and

20 (b) the taxpayer's grandfathered net
21 operating loss carryover; and

22 (2) minus:

23 (a) the amount of the net operating
24 loss carryover attributed to an entity that has left the
25 filing group, computed in a manner consistent with the

1 consolidated filing requirements of the Internal Revenue Code
2 and applicable regulations, as if the taxpayer were filing a
3 consolidated return; and

4 (b) the amount of net operating loss
5 deductions properly taken by the taxpayer;

6 O. "net operating loss deduction" means the
7 portion of the net operating loss carryover that may be
8 deducted from the taxpayer's apportioned net income under the
9 Internal Revenue Code as of January 1, 2018 for the taxable
10 year in which the deduction is taken, including the eighty
11 percent limitation of Section 172(a) of the Internal Revenue
12 Code as of January 1, 2018 calculated on the basis of the
13 taxpayer's apportioned net income;

14 P. "person" means any individual, estate, trust,
15 receiver, cooperative association, club, corporation,
16 company, firm, partnership, limited liability company, joint
17 venture, syndicate or other association; "person" also means,
18 to the extent permitted by law, any federal, state or other
19 governmental unit or subdivision or agency, department or
20 instrumentality thereof;

21 Q. "real estate investment trust" has the meaning
22 ascribed to the term in Section 856 of the Internal Revenue
23 Code, as that section may be amended or renumbered;

24 R. "related corporation" means a corporation that
25 is under common ownership with one or more corporations but

1 that is not included in the same tax return;

2 S. "return" means any tax or information return,
3 including a water's-edge or worldwide combined return, a
4 consolidated return, a declaration of estimated tax or a
5 claim for refund, including any amendments or supplements to
6 the return, required or permitted pursuant to a law subject
7 to administration and enforcement pursuant to the Tax
8 Administration Act and filed with the department by or on
9 behalf of any person;

10 T. "secretary" means the secretary of taxation
11 and revenue or the secretary's delegate;

12 U. "separate year return" means a properly filed
13 original or amended return for a taxable year beginning on or
14 after January 1, 2020 by a taxpayer reporting a loss, a
15 portion of which is claimed as part of the net operating loss
16 carryover by another taxpayer in a subsequent return period;

17 V. "state" means any state of the United States,
18 the District of Columbia, the commonwealth of Puerto Rico,
19 any territory or possession of the United States or political
20 subdivision thereof or any political subdivision of a foreign
21 country;

22 W. "state or local bond" means a bond issued by a
23 state other than New Mexico or by a local government other
24 than one of New Mexico's political subdivisions, the interest
25 from which is excluded from income for federal income tax

1 purposes under Section 103 of the Internal Revenue Code, as
2 that section may be amended or renumbered;

3 X. "taxable income" means a taxpayer's
4 apportioned net income minus the net operating loss deduction
5 for the taxable year;

6 Y. "taxable year" means the calendar year or
7 fiscal year upon the basis of which the net income is
8 computed under the Corporate Income and Franchise Tax Act and
9 includes, in the case of the return made for a fractional
10 part of a year under the provisions of that act, the period
11 for which the return is made;

12 Z. "taxpayer" means any corporation or group of
13 corporations filing a return pursuant to Section 7-2A-8.3
14 NMSA 1978 subject to the taxes imposed by the Corporate
15 Income and Franchise Tax Act;

16 AA. "unitary group" means a group of two or more
17 corporations, including a captive real estate investment
18 trust, but not including an S corporation, an insurance
19 company subject to the provisions of the New Mexico Insurance
20 Code, an insurance company that would be subject to the New
21 Mexico Insurance Code if the insurance company engaged in
22 business in this state or a real estate investment trust that
23 is not a captive real estate investment trust, that are:

- 24 (1) related through common ownership; and
25 (2) economically interdependent with one

1 another as demonstrated by the following factors:

2 (a) centralized management;

3 (b) functional integration; and

4 (c) economies of scale;

5 BB. "water's-edge group" means all corporations
6 that are part of a unitary group, except:

7 (1) corporations that are exempt from
8 corporate income tax pursuant to Section 7-2A-4 NMSA 1978;
9 and

10 (2) corporations organized or incorporated
11 outside the United States or its possessions or territories
12 that have less than twenty percent of their property, payroll
13 and sales sourced to locations within the United States,
14 following the sourcing rules of the Uniform Division of
15 Income for Tax Purposes Act; and

16 CC. "worldwide combined group" means all members
17 of a unitary group, except members that are exempt from
18 corporate income tax pursuant to Section 7-2A-4 NMSA 1978,
19 irrespective of the country in which the corporations are
20 incorporated or conduct business activity."

21 **SECTION 38.** Section 7-2-18.31 NMSA 1978 (being Laws
22 2020, Chapter 13, Section 1, as amended) is amended to read:

23 "7-2-18.31. NEW SOLAR MARKET DEVELOPMENT INCOME TAX
24 CREDIT.--

25 A. For taxable years prior to January 1, 2032, a

1 taxpayer who is not a dependent of another individual and
2 who, on or after March 1, 2020, purchases and installs a
3 solar thermal system or a photovoltaic system in a residence,
4 business or agricultural enterprise in New Mexico owned by
5 that taxpayer or by a federally recognized Indian nation,
6 tribe or pueblo and held in leasehold by that taxpayer may
7 apply for, and the department may allow, a credit against the
8 taxpayer's tax liability imposed pursuant to the Income Tax
9 Act in an amount provided in Subsection C of this section.
10 The tax credit provided by this section may be referred to as
11 the "new solar market development income tax credit".

12 B. The purpose of the new solar market
13 development income tax credit is to encourage the
14 installation of solar thermal and photovoltaic systems in
15 residences, businesses and agricultural enterprises.

16 C. The department may allow a new solar market
17 development income tax credit of ten percent of the purchase
18 and installation costs of a solar thermal or photovoltaic
19 system.

20 D. The new solar market development income tax
21 credit shall not exceed six thousand dollars (\$6,000) per
22 taxpayer per taxable year. The department shall allow a tax
23 credit only for solar thermal and photovoltaic systems
24 certified pursuant to Subsection E of this section.

25 E. Subject to the limitation provided in

1 Subsection F of this section, a taxpayer shall apply for
2 certification of eligibility for the new solar market
3 development income tax credit from the energy, minerals and
4 natural resources department on forms and in the manner
5 prescribed by that department. Completed applications shall
6 be considered in the order received. The application shall
7 include proof of purchase and installation of a solar thermal
8 or photovoltaic system, that the system meets technical
9 specifications and requirements relating to safety, code and
10 standards compliance, solar collector orientation and sun
11 exposure, minimum system sizes, system applications and lists
12 of eligible components and any additional information that
13 the energy, minerals and natural resources department may
14 require to determine eligibility for the credit. A dated
15 certificate of eligibility shall be issued to the taxpayer
16 providing the amount of the new solar market development
17 income tax credit for which the taxpayer is eligible and the
18 taxable year in which the credit may be claimed. A
19 certificate of eligibility for a new solar market development
20 income tax credit may be sold, exchanged or otherwise
21 transferred to another taxpayer for the full value of the
22 credit. The parties to such a transaction shall notify the
23 department of the sale, exchange or transfer within ten days
24 of the sale, exchange or transfer.

25 F. The aggregate amount of credits that may be

1 certified pursuant to Subsection E of this section is as
2 follows, and applications for certification received after
3 these limitations have been met shall not be approved:

4 (1) for calendar years 2020 through 2023,
5 twelve million dollars (\$12,000,000) for each calendar year;
6 provided that if this limitation has been met for any of
7 those calendar years, an additional total of twenty million
8 dollars (\$20,000,000) in credits may be certified for all of
9 those calendar years; and provided further that credits
10 certified pursuant to this paragraph shall be claimed only
11 for taxable year 2023; and

12 (2) for calendar years 2024 and thereafter,
13 thirty million dollars (\$30,000,000).

14 G. A taxpayer may claim a new solar market
15 development income tax credit for the taxable year in which
16 the taxpayer purchases and installs a solar thermal or
17 photovoltaic system. To receive a new solar market
18 development income tax credit, a taxpayer shall apply to the
19 department on forms and in the manner prescribed by the
20 department within twelve months following the calendar year
21 in which the system was installed; provided that, for a
22 taxpayer who receives a certificate of eligibility pursuant
23 to Paragraph (1) of Subsection F of this section, the
24 taxpayer shall apply to the department within twelve months
25 following the calendar year in which the certification is

1 made. The application shall include a certification made
2 pursuant to Subsection E of this section.

3 H. That portion of a new solar market development
4 income tax credit that exceeds a taxpayer's tax liability in
5 the taxable year in which the credit is claimed shall be
6 refunded to the taxpayer.

7 I. Married individuals filing separate returns
8 for a taxable year for which they could have filed a joint
9 return may each claim only one-half of the new solar market
10 development income tax credit that would have been claimed on
11 a joint return.

12 J. A taxpayer may be allocated the right to claim
13 a new solar market development income tax credit in
14 proportion to the taxpayer's ownership interest if the
15 taxpayer owns an interest in a business entity that is taxed
16 for federal income tax purposes as a partnership or limited
17 liability company and that business entity has met all of the
18 requirements to be eligible for the credit. The total credit
19 claimed by all members of the partnership or limited
20 liability company shall not exceed the allowable credit
21 pursuant to this section.

22 K. A taxpayer allowed a tax credit pursuant to
23 this section shall report the amount of the credit to the
24 taxation and revenue department in a manner required by that
25 department.

1 L. The taxation and revenue department shall
2 compile an annual report on the new solar market development
3 income tax credit that shall include the number of taxpayers
4 approved by the department to receive the credit, the
5 aggregate amount of credits approved and any other
6 information necessary to evaluate the credit. The department
7 shall present the report to the revenue stabilization and tax
8 policy committee and the legislative finance committee with
9 an analysis of the cost of the tax credit.

10 M. As used in this section:

11 (1) "photovoltaic system" means an energy
12 system that collects or absorbs sunlight for conversion into
13 electricity; and

14 (2) "solar thermal system" means an energy
15 system that collects or absorbs solar energy for conversion
16 into heat for the purposes of space heating, space cooling or
17 water heating."

18 SECTION 39. A new section of the Gross Receipts and
19 Compensating Tax Act is enacted to read:

20 "DEDUCTIONS--GROSS RECEIPTS TAX--COMPENSATING
21 TAX--GEOTHERMAL ELECTRICITY GENERATION-RELATED SALES AND
22 USE.--

23 A. Prior to July 1, 2032, receipts from the
24 following sales may be deducted from gross receipts; provided
25 that the sale is made to a person who holds an interest in a

1 geothermal electricity generation facility and the person
2 delivers an appropriate nontaxable transaction certificate to
3 the seller or lessor or provides alternative evidence
4 pursuant to Section 7-9-43 NMSA 1978:

5 (1) selling tangible personal property
6 installed as part of, or services rendered in connection
7 with, constructing and equipping a geothermal electricity
8 generation facility;

9 (2) selling tangible personal property
10 installed as part of a system used for the distribution of
11 electricity generated from a geothermal electricity
12 generation facility; and

13 (3) selling or leasing tangible personal
14 property or selling services that are construction plant
15 costs.

16 B. Prior to July 1, 2032, the value of:

17 (1) tangible personal property installed as
18 part of, or services rendered in connection with,
19 constructing and equipping a geothermal electricity
20 generation facility may be deducted in computing compensating
21 tax due;

22 (2) tangible personal property installed as
23 part of a system used for the distribution of electricity
24 generated from a geothermal electricity generation facility
25 may be deducted in computing compensating tax due; and

1 (3) construction plant costs purchased by a
2 person who holds an interest in a geothermal electricity
3 generation facility may be deducted in computing compensating
4 tax due.

5 C. A taxpayer allowed a deduction pursuant to
6 this section shall report the amount of the deduction
7 separately in a manner required by the department.

8 D. The department shall compile an annual report
9 on the deductions provided by this section that shall include
10 the number of taxpayers that claimed the deductions, the
11 aggregate amount of deductions claimed and any other
12 information necessary to evaluate the effectiveness of the
13 deductions. The department shall present the annual report
14 to the revenue stabilization and tax policy committee and the
15 legislative finance committee with an analysis of the
16 effectiveness and cost of the deductions.

17 E. As used in this section:

18 (1) "construction plant costs" means actual
19 expenditures for the development and construction of a
20 geothermal electricity generation facility, including the
21 drilling of wells to at least twelve thousand feet;
22 permitting; site characterization and assessment;
23 engineering; design; site and equipment acquisition; raw
24 materials; and fuel supply development used directly and
25 exclusively in the facility;

1 (2) "geothermal electricity generation
2 facility" means a facility located in New Mexico that
3 generates electricity from geothermal resources and:

4 (a) for a new facility, begins
5 construction on or after January 1, 2025; or

6 (b) for an existing facility, on or
7 after January 1, 2025, increases the amount of electricity
8 generated from geothermal resources the facility generated
9 prior to that date by at least one hundred percent;

10 (3) "geothermal resources" means the
11 natural heat of the earth in excess of two hundred fifty
12 degrees Fahrenheit or the energy, in whatever form, below the
13 surface of the earth present in, resulting from, created by
14 or that may be extracted from this natural heat in excess of
15 two hundred fifty degrees Fahrenheit and all minerals in
16 solution or other products obtained from naturally heated
17 fluids, brines, associated gases and steam, in whatever form,
18 found below the surface of the earth, but excluding oil,
19 hydrocarbon gas and other hydrocarbon substances and
20 excluding the heating and cooling capacity of the earth not
21 resulting from the natural heat of the earth in excess of two
22 hundred fifty degrees Fahrenheit as may be used for the
23 heating and cooling of buildings through an on-site
24 geoexchange heat pump or similar on-site system; and

25 (4) "interest in a geothermal electricity

1 generation facility" means title to a geothermal electricity
2 generation facility; a leasehold interest in such facility;
3 an ownership interest in a business or entity that is taxed
4 for federal income tax purposes as a partnership that holds
5 title to or a leasehold interest in such facility; or an
6 ownership interest, through one or more intermediate entities
7 that are each taxed for federal income tax purposes as a
8 partnership, in a business that holds title to or a leasehold
9 interest in such facility."

10 SECTION 40. Section 7-9-93 NMSA 1978 (being Laws 2004,
11 Chapter 116, Section 6, as amended) is amended to read:

12 "7-9-93. DEDUCTION--GROSS RECEIPTS--CERTAIN RECEIPTS
13 FOR SERVICES PROVIDED BY HEALTH CARE PRACTITIONER OR
14 ASSOCIATION OF HEALTH CARE PRACTITIONERS.--

15 A. Receipts of a health care practitioner or an
16 association of health care practitioners for commercial
17 contract services or medicare part C services paid by a
18 managed care organization or health care insurer may be
19 deducted from gross receipts if the services are within the
20 scope of practice of the health care practitioner providing
21 the service. Receipts from fee-for-service payments by a
22 health care insurer may not be deducted from gross receipts.

23 B. Prior to July 1, 2028, receipts from a
24 copayment or deductible paid by an insured or enrollee to a
25 health care practitioner or an association of health care

1 practitioners for commercial contract services pursuant to
2 the terms of the insured's health insurance plan or
3 enrollee's managed care health plan may be deducted from
4 gross receipts if the services are within the scope of
5 practice of the health care practitioner providing the
6 service.

7 C. The deductions provided by this section shall
8 be applied only to gross receipts remaining after all other
9 allowable deductions available under the Gross Receipts and
10 Compensating Tax Act have been taken.

11 D. A taxpayer allowed a deduction pursuant to
12 this section shall report the amount of the deduction
13 separately in a manner required by the department.

14 E. The department shall compile an annual report
15 on the deductions provided by this section that shall include
16 the number of taxpayers that claimed the deductions, the
17 aggregate amount of deductions claimed and any other
18 information necessary to evaluate the effectiveness of the
19 deductions. The department shall present the report to the
20 revenue stabilization and tax policy committee and the
21 legislative finance committee with an analysis of the cost of
22 the deductions.

23 F. As used in this section:

24 (1) "association of health care
25 practitioners" means a corporation, unincorporated business

1 entity or other legal entity organized by, owned by or
2 employing one or more health care practitioners; provided
3 that the entity is not:

4 (a) an organization granted exemption
5 from the federal income tax by the United States commissioner
6 of internal revenue as organizations described in Section
7 501(c)(3) of the United States Internal Revenue Code of 1986,
8 as that section may be amended or renumbered; or

9 (b) a health maintenance organization,
10 hospital, hospice, nursing home or an entity that is solely
11 an outpatient facility or intermediate care facility licensed
12 pursuant to the Public Health Act;

13 (2) "commercial contract services" means
14 health care services performed by a health care practitioner
15 pursuant to a contract with a managed care organization or
16 health care insurer other than those health care services
17 provided for medicare patients pursuant to Title 18 of the
18 federal Social Security Act or for medicaid patients pursuant
19 to Title 19 or Title 21 of the federal Social Security Act;

20 (3) "copayment" means a fixed dollar amount
21 that a health care insurer or managed care health plan
22 requires an insured or enrollee to pay upon incurring an
23 expense for receiving medical services;

24 (4) "deductible" means the amount of
25 covered charges an insured or enrollee is required to pay in

1 a plan year for commercial contract services before the
2 insured's health insurance plan or enrollee's managed care
3 health plan begins to pay for applicable covered charges;

4 (5) "fee-for-service" means payment for
5 health care services by a health care insurer for covered
6 charges under an indemnity insurance plan;

7 (6) "health care insurer" means a person
8 that:

9 (a) has a valid certificate of
10 authority in good standing pursuant to the New Mexico
11 Insurance Code to act as an insurer, health maintenance
12 organization or nonprofit health care plan or prepaid dental
13 plan; and

14 (b) contracts to reimburse licensed
15 health care practitioners for providing basic health services
16 to enrollees at negotiated fee rates;

17 (7) "health care practitioner" means:

18 (a) a chiropractic physician licensed
19 pursuant to the provisions of the Chiropractic Physician
20 Practice Act;

21 (b) a dentist or dental hygienist
22 licensed pursuant to the Dental Health Care Act;

23 (c) a doctor of oriental medicine
24 licensed pursuant to the provisions of the Acupuncture and
25 Oriental Medicine Practice Act;

1 (d) an optometrist licensed pursuant
2 to the provisions of the Optometry Act;

3 (e) an osteopathic physician licensed
4 pursuant to the provisions of the Medical Practice Act;

5 (f) a physical therapist licensed
6 pursuant to the provisions of the Physical Therapy Act;

7 (g) a physician or physician assistant
8 licensed pursuant to the provisions of the Medical Practice
9 Act;

10 (h) a podiatric physician licensed
11 pursuant to the provisions of the Podiatry Act;

12 (i) a psychologist licensed pursuant
13 to the provisions of the Professional Psychologist Act;

14 (j) a registered lay midwife
15 registered by the department of health;

16 (k) a registered nurse or licensed
17 practical nurse licensed pursuant to the provisions of the
18 Nursing Practice Act;

19 (l) a registered occupational
20 therapist licensed pursuant to the provisions of the
21 Occupational Therapy Act;

22 (m) a respiratory care practitioner
23 licensed pursuant to the provisions of the Respiratory Care
24 Act;

25 (n) a speech-language pathologist or

1 audiologist licensed pursuant to the Speech-Language
2 Pathology, Audiology and Hearing Aid Dispensing Practices
3 Act;

4 (o) a professional clinical mental
5 health counselor, marriage and family therapist or
6 professional art therapist licensed pursuant to the
7 provisions of the Counseling and Therapy Practice Act who has
8 obtained a master's degree or a doctorate;

9 (p) an independent social worker
10 licensed pursuant to the provisions of the Social Work
11 Practice Act; and

12 (q) a clinical laboratory that is
13 accredited pursuant to 42 U.S.C. Section 263a but that is not
14 a laboratory in a physician's office or in a hospital defined
15 pursuant to 42 U.S.C. Section 1395x;

16 (8) "managed care health plan" means a
17 health care plan offered by a managed care organization that
18 provides for the delivery of comprehensive basic health care
19 services and medically necessary services to individuals
20 enrolled in the plan other than those services provided to
21 medicare patients pursuant to Title 18 of the federal Social
22 Security Act or to medicaid patients pursuant to Title 19 or
23 Title 21 of the federal Social Security Act;

24 (9) "managed care organization" means a
25 person that provides for the delivery of comprehensive basic

1 health care services and medically necessary services to
2 individuals enrolled in a plan through its own employed
3 health care providers or by contracting with selected or
4 participating health care providers. "Managed care
5 organization" includes only those persons that provide
6 comprehensive basic health care services to enrollees on a
7 contract basis, including the following:

- 8 (a) health maintenance organizations;
- 9 (b) preferred provider organizations;
- 10 (c) individual practice associations;
- 11 (d) competitive medical plans;
- 12 (e) exclusive provider organizations;
- 13 (f) integrated delivery systems;
- 14 (g) independent physician-provider
15 organizations;
- 16 (h) physician hospital-provider
17 organizations; and
- 18 (i) managed care services
19 organizations; and

20 (10) "medicare part C services" means
21 services performed pursuant to a contract with a managed
22 health care provider for medicare patients pursuant to Title
23 18 of the federal Social Security Act."

24 **SECTION 41. DELAYED REPEAL.--**

25 A. Sections 27 through 30 of this act are

1 repealed effective January 1, 2031.

2 B. Sections 35 and 36 of this act are repealed
3 effective January 1, 2034.

4 SECTION 42. APPLICABILITY.--

5 A. The provisions of Sections 7, 9 and 23 through
6 31 of this act apply to taxable years beginning on or after
7 January 1, 2024.

8 B. The provisions of Sections 5, 8, 10 and 32
9 through 37 of this act apply to taxable years beginning on or
10 after January 1, 2025.

11 SECTION 43. EFFECTIVE DATE.--

12 A. The effective date of the provisions of
13 Sections 1 through 4 and 11 through 22 of this act is July 1,
14 2024.

15 B. The effective date of the provisions of
16 Sections 5, 8, 10, 32 through 37 and 39 of this act is
17 January 1, 2025.

18
19
20
21
22
23
24
25