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SENATE MEMORIAL 80

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

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A MEMORIAL

ENCOURAGING SUPPORT OF FRONTIER COMMUNITY INVESTMENT INCOME TAX CREDITS.

WHEREAS, frontier communities are remote and sparsely populated rural areas, which are isolated from health care, schools and other needed services; and

WHEREAS, often, basic services such as a grocery store, pharmacy or hardware store are not available in frontier communities; and

WHEREAS, rural, economically distressed New Mexico municipalities and communities have few options and financial incentives for residents to invest in their communities and to receive benefits for doing so; and

WHEREAS, a frontier community investment income tax credit would provide an incentive for local investment; and

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1 WHEREAS, using the criteria of a population of less than
2 seven thousand five hundred residents with less than two
3 hundred fifty million dollars (\$250,000,000) in gross receipts
4 income to define a frontier community, there are ten counties
5 in New Mexico that would qualify for a frontier community
6 investment income tax credit; and

7 WHEREAS, the purposes of a frontier community investment
8 income tax credit are to encourage residents of frontier
9 communities to invest in their communities and to create new
10 jobs and provide needed services for frontier communities; and

11 WHEREAS, frontier community investment income tax credits:

- 12 A. encourage local, private investment in the
13 community;
- 14 B. focus on services and communities overlooked by
15 chain stores;
- 16 C. introduce economic development in rural
17 communities;
- 18 D. are similar to New Mexico's angel investment
19 credit for investing in early-stage companies in the southwest,
20 but with a specific focus on rural development;
- 21 E. provide benefits proportionally greater than
22 equivalent investments in larger counties;
- 23 F. allow an income tax credit in an amount up to
24 twenty-five percent of up to one hundred thousand dollars
25 (\$100,000) of an investment by investors in rural enterprises;

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