

**PROGRAM:** New Mexico Intergovernmental Business Tax Credit **Industry Specific Incentive**

**AGENCY:** Taxation and Revenue Department

**DESCRIPTION:** A company engaged in growing, processing or manufacturing may receive a tax credit from taxes imposed by an Indian nation, tribe or pueblo located wholly or partly in New Mexico.

**PROGRAM/LOAN STRUCTURE:**

Maximum Program Benefits: The tax credit is fifty percent or the lesser of

- The aggregate amount of tax paid by a taxpayer, or
- The amount of the taxpayer's corporate income tax due for the reporting period from the new business's activity conducted on Indian land.

**QUALIFICATION CRITERIA/COMMENTS:**

- The tax credit is limited to income from a new company established on tribal land after July 1, 1997.
- The tax credit is non-refundable and can be applied against the existing tax liabilities only; an excess can be carried forward.
- The burden of showing entitlement to this credit lies with the taxpayer claiming it.
- For a taxpayer who qualifies and conducts business outside of Indian land: the corporate income tax liability of the products of one-half of the taxpayer's New Mexico corporate income tax liability before application of the credit provided by section 7-2A-16 multiplied by the payroll factor and one half of the taxpayer's New Mexico corporate tax liability before application of the credit provided here, multiplied by the property factor. **See 7-2A-16 NMSA** for specifications on these factors
- Visit the Taxation and Revenue Department homepage at <http://www.state.nm.us/tax/home.htm> or call the office of the Secretary at (505)827-0341.