

PROGRAM: New Mexico Military Acquisition Program Tax Deduction **General Incentive**

AGENCY: Taxation and Revenue Department

DESCRIPTION: Receipts from transformational acquisition programs pursuant to contracts entered into with the U.S. Department of Defense may be deducted from gross receipts tax.

PROGRAM/LOAN STRUCTURE:

Maximum Program Benefits: The gross receipts tax rate is approximately 7%.

QUALIFICATION CRITERIA/COMMENTS:

- Programs performing research and development; and testing and evaluation at New Mexico major range and test facility bases may qualify.
- The program is in effect from July 1, 2005 through June 30, 2008.
- See 7-9-94 NMSA

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PROGRAM: New Mexico Preferential Tax Rate for Small Wineries and Microbreweries **Industry Specific Incentive**

AGENCY: Taxation and Revenue Department

DESCRIPTION: A preferential tax rate is provided to small wineries and breweries to encourage the industry in New Mexico.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: Wine produced by a small winery carries a tax of 10 cents per liter on the first eighty thousand liters sold and twenty cents per liter on all liters after that. The basic tax rate for wine is 45 cents per liter. Beer produced by a microbrewery is taxed at 8 cents per gallon. The basic tax rate for beer is 41 cents per gallon.

QUALIFICATION CRITERIA/COMMENTS:

- Microbreweries produce less than 5,000 barrels of beer annually.
- Small wineries produce less than 560,000 liters of wine per year.
- See 7-17-2 and 7-17-5 NMSA
- Visit the Taxation and Revenue Department homepage at <http://www.state.nm.us/tax/home.htm> or find paperwork and applications at <http://www.state.nm.us/tax/BizPge.htm> .
- Call the office of the Secretary at (505)827-0341.