

PROGRAM: New Mexico Property Tax Exemption **Industry Specific Incentive**

AGENCY: Taxation and Revenue Department

ELIGIBLE USES: Real and tangible property is subject to taxation at the local level is eligible for the exemption.

PROGRAM LOAN/STRUCTURE:

- Maximum Program Benefits: Land, buildings and equipment associated with an eligible project are exempt from ad valorem tax, generally to promote economic development.
- Term: Up to 30 years; rate varies by community.

QUALIFICATION CRITERIA/COMMENTS:

- There are a number of state laws which provide property tax abatements:
 - Industrial Revenue Bond (IRB) projects See **7-36-3 NMSA**: Provides up to 100% exemption of project property from taxes for the life of the related bond indebtedness.
 - In New Mexico construction or rehabilitation of non-speculative office buildings, warehouses, manufacturing facilities, and service oriented facilities not primarily engaged in the sale of goods or commodities at retail are eligible.
 - Pollution control projects See **7-36-3 NMSA**: Provides 100% exemption of project property from taxes for the life of the related bond indebtedness. Public utilities are excluded. The purpose is land, air and water pollution exemption.
 - Metropolitan redevelopment projects See **7-36-3.1 NMSA**: Provides 100% exemption of redevelopment project property from taxes until the end of the 7th year following acquisition by a municipality. The purpose is to eliminate slum and blighted areas.
 - Enterprise zone projects See **7-36-3.2 NMSA**: Provides a 100% exemption of zone project property. The purpose is to revive economically depressed areas.
 - Community Development Incentive Act, aka. IRB Lite See **3-64-1 et. seq. NMSA**: Allows counties and municipalities to exempt up to 100% of the commercial personal property of a new business facility for a maximum of 20 years. The purpose is to give local governments a less expensive alternative to industrial revenue bonds.
 - A “facility” means any factory, mill, plant, refinery, warehouse, dairy, feedlot, building or complex of buildings located within the state, including land on which the facility is located and all machinery, equipment and other real and tangible personal property located at or within the facility and used in connection with the operation of the facility.
 - A “new business facility” means a facility that is employed by the taxpayer in the operation of a revenue-producing enterprise. The facility may not be a replacement business facility. The facility must be acquired or leased to the taxpayer on or after July 1, 2003.
- While allowed by state law, use of abatements is at the discretion of each city or county government.
- See **4-59-1 et. seq. NMSA** for IRB information
- 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.