

**PROGRAM:** New Mexico Welfare-to-Work Tax Credit **General Incentive**

**AGENCY:** Taxation and Revenue Department

**DESCRIPTION:** To encourage the employment of welfare recipients in the hopes that they will no longer need welfare, a tax credit is available to companies who employ welfare recipients.

**ELIGIBILITY:** A taxpayer who files a New Mexico corporate income tax return and employs welfare recipients is eligible. Eligible employees must increase the employer's total number of jobs, or replace a previously qualified employee.

**PROGRAM/LOAN STRUCTURE:** Maximum Program Benefits:

- The credit equals 50% of the federal welfare-to-work credit claimed and allowed under **26 USC Section 51A** for which the employer is eligible, up to \$1,750 for the first year of employment and up to \$2,500 for the second year.
- For each qualified person hired, the employer receives from the state 50% of the credit earned for federal purposes.

**QUALIFICATION CRITERIA/COMMENTS:**

- The hiring of any state qualified employee cannot result in the displacement of any currently employed worker or position, including partial displacement.
  - No state qualified employee can be employed or assigned when any other individual is on layoff from the same or substantially similar job.
  - Any unused credit may carry forward for three consecutive taxable years.
  - An employer must first qualify for the federal credit.
  - Wage, benefits and working conditions must be comparable with similar jobs of the same employer.
  - The employee must live in a high unemployment county determined by the NM Department of Labor.
  - **See 7-2A-8.8 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.
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**PROGRAM:** The NMFA New Markets Tax Credit Program **General Incentive**

**AGENCY:** The New Mexico Finance Authority

**DESCRIPTION:** This program grants the NMFA the authority to form, operate, own, or co-own any number of qualified community development entities to participate in the federal new markets tax credits program.

**STRUCTURE:**

- The NMFA may apply for and obtain one or more allocations of new markets tax credits,
- Market and sell qualified equity investments,
- Make qualified low-income community investments, and
- Take all necessary or convenient actions to carry out the purposes of its qualified community development entities or to participate in the federal new markets tax credit program.
- See **HB277 2006**.
- Visit [www.nmfa.net](http://www.nmfa.net) or call (505) 984-1454.

**PROGRAM:** Renewable Energy Production Tax Credit **Industry Specific Incentive**

**AGENCY:** Energy, Minerals, and Natural Resources Department

**DESCRIPTION:** To encourage the growth of and investment in renewable sources of energy, the state of New Mexico allows a certain amount of credit for those eligible against their corporate income tax.

**ELIGIBILITY:** A person is eligible for the renewable energy production tax credit if he or she holds title to a qualified energy generator or leases property upon which a qualified energy generator operates from a county or municipality under authority of an industrial revenue bond.

**STRUCTURE:**

- The tax credit is equal to one cent per kilowatt-hour of the first four hundred thousand megawatt-hours of electricity produced by the qualified energy generator.
- A taxpayer eligible for this credit will be eligible for ten consecutive years beginning on the date the qualified energy generator begins producing electricity.
- A person that holds title to a facility generating electricity from a qualified energy resource pursuant to an IRB is eligible for certification for this credit

**QUALIFICATIONS/CRITERIA:**

- A qualified energy generator is a facility with at least ten megawatts generating capacity located in the state that produced electricity using a qualified energy resource and sells that electricity to an unrelated person
- A qualified energy resource is a resource that generates electrical energy by means of a fluidized bed technology or similar low-emissions technology or a zero emissions generation technology that has substantial long term production potential and that uses only solar light, solar heat, wind, or biomass.
- This credit may be deducted from the taxpayer's New Mexico corporate income tax liability for a taxable year. If the amount of the tax credit claimed exceeds the taxpayer's corporate income tax liability, the excess may be carried forward for up to five consecutive taxable years.
- See **HB 950 2005** and **7-2A-19 NMSA**
- Visit the department's homepage at <http://www.emnrd.state.nm.us/EMNRD/MAIN/index.htm> or call (505) 476-3200.