

PROGRAM: Intergovernmental Production Equipment Tax Credit

AGENCY: Taxation and Revenue Department

DESCRIPTION: To encourage development on tribal lands, those liable for the payment of the oil and gas severance, conservation, emergency school, or valorem production taxes are entitled to a tax credit computed under Section 7-29C-1 and deducted from the payment of the aforementioned taxes with respect to equipment at qualifying wells.

PROGRAM/LOAN STRUCTURE:

- Any person liable for the payment of the oil and gas production equipment ad valorem tax imposed on equipment located on Indian tribal land is entitled to a credit computed under Section 7-29C-1 and to be deducted from the payment of the aforementioned taxes with respect to equipment at qualifying wells.
- The tax credit is determined separately for each calendar month and is to equal seventy five percent of the lesser of the amount of ad valorem or similar tax in effect on March 1, 1995, that is imposed by the Indian nation, tribe or pueblo; or the amount of the oil and gas production equipment ad valorem tax imposed by this state upon the equipment for the calendar year.

QUALIFICATION CRITERIA/COMMENTS: Products from equipment on tribal land qualifies for this tax credit. See Section 7-29C-1(B) NMSA 1978.

- 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.