

**PROGRAM:** Solar Market Development Income Tax Credit **Industry Specific Inentive**

**AGENCY:** Taxation and Revenue Department

**DESCRIPTION:** As of the 2006 legislature, a thirty percent tax credit on the installation and purchase of solar thermal and photovoltaic systems in a residence, business, or agricultural enterprise in New Mexico is allowed; the desire is to encourage the use and development of clean sources of energy.

**ELIGIBILITY:**

- Any taxpayer who files an individual New Mexico income tax return for a taxable year beginning after January 1, 2006
- This credit may not be claimed or allowed for a heating system for a swimming pool or a hot tub, a commercial or industrial photovoltaic system other than an agricultural photovoltaic system on a farm or ranch that is not connected to an electric utility transmission or distribution system.
- The maximum annual aggregate can be two million dollars in solar market development tax credits for solar thermal systems, or three million dollars in solar market development tax credits for photovoltaic systems.
- The federal and state tax credits allowed, when combined, shall, under no circumstances, total more than thirty percent of the purchase and installation cost of the system.

**STRUCTURE:** It's a tax credit. The Energy, Minerals, and Natural Resources Department will/has adopt(ed) rules addressing technical specification and requirements relating to safety, code and standards compliance, solar collector orientation and sun exposure, minimum system sizes, system applications, and lists of eligible components, establishing procedures to provide certification of solar thermal systems and photovoltaic systems for purposes of obtaining a solar market development tax credit.

**QUALIFICATIONS/CRITERIA:**

- To determine the amount of the state solar market development tax credit due pursuant to this section, the amount of the allowable federal tax credit, whether claimed or not, shall be deducted from thirty percent of the purchase and installation cost of the system. The total solar market development tax credit allowed for either a photovoltaic system or a solar thermal system shall not exceed nine thousand dollars.
- The department shall allow solar market development tax credits only for solar thermal systems and photovoltaic systems certified by The Energy, Minerals, and Natural Resources Department. See **SB 269 2006**
- 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.
- Also visit the Energy, Minerals, and Natural Resources Department's homepage at <http://www.emnrd.state.nm.us/EMNRD/MAIN/index.htm> or call (505) 476-3200.