

---

---

# INSTRUCTIONS FOR 2015 PIT-CR

## NEW MEXICO BUSINESS-RELATED INCOME TAX CREDIT SCHEDULE

---

---

### GENERAL INFORMATION

New Mexico tax law offers the 22 business-related income tax credits listed on 2015 PIT-CR, *New Mexico Business-Related Income Tax Credit Schedule*. These 22 credits may be applied against personal income taxes due.

If none of the credit types on Schedule PIT-CR do not apply to you, do not complete this schedule.

Each credit type is described in these instructions along with how to claim the credit and other applicable information. For example, carryforward time frames are given for the credits that let you carry forward an excess.

Three credits may be refunded. You may claim part of approved film production tax credit, part of renewable energy production tax credit, and part of the technology jobs and research and development tax credit, if the credit exceeds the personal income tax liability due on your return.

### About Eligibility and Approval Requirements

Advance approval is required for most business-related income tax credits listed on this schedule. For detailed information about eligibility and approval requirements, and for a complete description of the credit, see the following:

- Publication FYI-106, *Claiming Tax Credits for CRS Taxes and Business-Related Income*
- The forms referenced for the credit on the PIT-CR

### Married Couples

Each person in a married couple filing separate returns may claim half the allowable credit allowed on a joint return.

### Forms On Our Website

You can find the forms described in these instructions on the Taxation and Revenue Department website at <http://www.tax.newmexico.gov/forms-publications.aspx>.

### LINE INSTRUCTIONS FOR COMPLETING SCHEDULE PIT-CR

Use Schedule PIT-CR to claim any of the business-related tax credits listed in these instructions that may be taken against New Mexico income tax reported on the PIT-1 return. For a complete description of the credits, see Publication FYI-106, *Claiming Tax Credits for CRS Taxes and Business-Related Income*.

The PIT-CR is divided into several sections. The first section lists the business-related tax credits by credit type code. These tax credits are divided into (1) the non-refundable business-related tax credits to be applied against tax due, and (2) the refundable business related-tax credits that may be applied both against tax due and as a credit to be refundable.

The next section is divided into columns A-D:

- the credit type code in column A. You must complete this field;
- the credit approval number, if applicable. It may not be available for all credits, and for some credits the credit approval number is not required. If your business credit does not have a credit approval number as described in the next section, *Tax Credit Types*, leave the credit approval number field blank;
- the amount to be applied to the tax liability on the return; and
- any amount of the credit that may be refunded to you.

If you are claiming multiple credits for the same credit type, list each credit separately. For example: Taxpayer X has received certificates 123456-1 and 123456-2 for two separate angel investment credits. X's return shows a liability of \$80 before applying any tax credits. X wants to use \$50 remaining from available carry forward on certificate 123456-1, and \$30 remaining from certificate 123456-2. A separate entry must be made for each credit:

Therefore, on line 1, X enters A02 in the credit type code column, enters 123456-1 in the credit approval number column, and \$50 in the amount claimed column. The fourth column is left blank because the angel investment credit cannot be refunded. On line 2, X enters A02 in the credit type code column, enters 123456-2 in the credit approval number column, and \$30 in the amount claimed column.

You must report the first 5 credits on Schedule PIT-CR.

If you are claiming more than 5 credits to be applied to your tax liability or to be refunded, complete and attach the PIT-CR Supplemental. Attach the supplemental to the Schedule PIT-CR to report the additional credits.

To calculate the amount that may be claimed, refer to the claim form or supporting instructions for the credit.

**IMPORTANT:** The total amount you claim on line A, Schedule PIT-CR, may not exceed the sum of the tax due on PIT-1, lines 18 and 19, less any credit for tax paid to another state on PIT-1, line 20.

Enter the sum of column C (Amount Claimed Applied to Tax Due) on line A, Schedule PIT-CR.

Enter the sum of column D (Amount of Credit to Refund) on line B, Schedule PIT-CR.

Transfer the totals to the PIT-1 return as follows:

- Transfer the total credits to be applied to the liability due from Schedule PIT-CR, line A, to line 21 of the PIT-1 return.
- Transfer the tax credits to be refunded from Schedule PIT-CR, line B, to line 26 of the PIT-1 return.
- Attach the appropriate backup documentation to support the credit taken and attach Schedule PIT-CR and PIT-CR Supplemental (if you had more than 5 credits) to your PIT-1 return.

---

## TAX CREDIT TYPES

---

### DESCRIPTIONS OF EACH TAX CREDIT

Each type of credit is described next and includes the following information, as applicable:

- Whether the credit is refundable
- If you can carry it forward and for how long
- How to apply for the credit
- How to claim the credit

To calculate the amount you may claim against your personal income tax liability, refer to the claim form for the specific business-related income tax credit.

For contact information, and for a complete description of the credit, see the following:

- Publication FYI-106, *Claiming Tax Credits for CRS Taxes and Business-Related Income*
- The forms referenced for the credit on the PIT-CR

#### CREDIT TYPE CODE A01

##### Affordable housing tax credit

Beginning January 1, 2006, the Mortgage Finance Authority (MFA) determines eligibility, approves affordable housing projects for MFA or for a trust fund administered by MFA, and issues an investment voucher to a taxpayer who made an investment of land, buildings, materials, cash, or services for an affordable housing project.

The term “affordable housing” covers land acquisition, construction, building acquisition, remodeling, improvement, rehabilitation, conversion, or weatherization for single-family or multi-family residential housing approved by MFA.

The vouchers are good for up to 50% of the investment. After receiving a voucher from MFA, the taxpayer may apply the credit against gross receipts, compensating, withholding, or personal income or corporate income tax liabilities.

If you notify MFA about a sale or transfer and MFA reissues a voucher to the transferee, you may sell or transfer your voucher.

#### Carry Forward for Five Years

This credit is not refundable, but you can carry unused credits forward for five years.

#### How To Claim This Credit

To claim this credit, follow these steps:

1. Complete Form RPD-41301, *Affordable Housing Tax Credit Claim Form*.
2. Complete Schedule PIT-CR. In the **Credit Approval Number** box, enter the credit number assigned by MFA on the investment voucher. If the voucher was transferred to you, enter the new voucher number assigned by MFA.
3. Attach the following to your PIT-1:
  - RPD-41301
  - PIT-CR
  - Copies of the vouchers received from MFA
4. Submit your PIT-1 and all attachments.

#### CREDIT TYPE CODE A02

##### Angel investment credit

You may claim a credit for 25% of the qualifying investment, not to exceed \$62,500, per investment round, in a high-technology or manufacturing business if all of the following are true:

- You are a taxpayer who files a New Mexico personal income tax return.
- You are not a dependent of another individual.
- You are an accredited investor under IRS rules who makes a qualified investment.

Accredited investors may claim the angel investment credit for qualified investments in no more than five qualified businesses per tax year. A credit is not allowed for any investment made before January 1, 2007 or after December 31, 2025.

#### Carry Forward for Five Years

You can carry forward unused credit for five consecutive years. The credit

is not refundable.

#### How To Apply For This Credit

To apply for this credit, contact the EDD to get a certificate of eligibility.

#### How To Claim This Credit

To claim the credit, follow these steps:

1. Complete Form RPD-41320, *Angel Investment Credit Claim Form*, and Schedule PIT-CR.
2. Attach the following to your PIT-1:
  - RPD-41320
  - PIT-CR
  - Copy of the certificate of eligibility from the New Mexico EDD
3. Submit your PIT-1 and all attachments.

In the **Credit Approval Number** box, enter the certificate number from the certificate of eligibility issued to you by EDD.

#### CREDIT TYPE CODE A03

##### Agricultural water conservation tax credit

You can claim a credit against your personal or corporate tax liability for expenses you incurred for eligible improvements in irrigation systems or water management methods. Eligible improvements are improvements that meet all the following requirements:

- They were made on or after January 1, 2008, but not after January 1, 2013.
- They are consistent and comply with a water conservation plan approved by the local soil and water conservation district where the improvement is located.
- They are primarily designed to substantially conserve water on land in New Mexico you own or lease, and you or your lessee use the water to produce agricultural products, harvest or grow trees, or sustain livestock.

The amount of the credit is the following percentage of eligible expenses incurred:

- 35% of eligible expenses incurred in calendar year 2008
- 50% of eligible expenses incurred

from January 1, 2009 through December 31, 2012

The total credit allowed in a tax year may not exceed \$10,000.

### **Carry Forward for Five Years**

Although this credit is not refundable and the agricultural water conservation tax credit provisions are repealed effective January 1, 2013, you may carry forward unused credit for up to five consecutive years. This credit is not refundable.

### **How To Apply For This Credit**

Before you can claim the agricultural water conservation tax credit, you must obtain a certificate of eligibility from the local Soil and Water Conservation Commission within the district that encompasses the land upon which the improvement was located.

To find your local Soil and Water Conservation district and find out eligibility requirements, visit <http://www.nmacd.org/swcds>, or call (575) 646-2642.

### **How To Claim This Credit**

After you receive the certificate of eligibility from the Soil and Water Conservation Commission, you can claim the credit by following these steps:

1. Complete Form RPD-41319, *Agricultural Water Conservation Tax Credit Claim Form*.
2. Complete the PIT-CR. In the **Credit Approval Number** box, enter the last day of the tax year when the credit was first eligible to claim.
3. Attach the following to your PIT-1:
  - RPD-41326
  - PIT-CR
  - Copy of the certificate of eligibility from the Soil and Water Conservation Commission
4. Submit your PIT-1 and all attachments.

### **CREDIT TYPE CODE A04 Advanced energy tax credit**

A taxpayer who holds an interest in a qualified electric generating facility

located in New Mexico may be eligible to apply for and claim the advanced energy tax credit.

The amount of the credit is 6% of the eligible generation plant costs. The aggregate amount of tax credit that may be claimed with respect to a qualified generating facility is limited to \$60,000,000.

### **Carry Forward for 10 Years**

This credit is not refundable, but if the credit amount exceeds your tax liability, you can carry forward the unused credit for up to 10 years.

### **How To Apply For This Credit**

After you receive the certificate of eligibility from the New Mexico Environment Department (NMENV), follow these steps:

1. Complete Form RPD-41333, *Advanced Energy Tax Credit Application*.
2. Attach the certificate of eligibility issued by NMENV.
3. Submit RPD-41333 and all attachments within one year following the end of the calendar year in which the eligible generation plant costs were incurred.

You may allocate the right to claim this credit to other taxpayers who are interest owners in the qualified electric generating facility. To allocate the credit to interest owners, attach the *Notice of Allocation of Right to Claim Advanced Energy Tax Credits* to RPD-41333.

### **How To Claim This Credit**

After you receive approval, you can claim the credit by following these steps:

1. Complete Form RPD-41334, *Advanced Energy Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the number the Taxation and Revenue Department issued. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.

3. Attach the following to your PIT-1:
  - RPD-41334
  - PIT-CR
  - Approval letter from NMENV
4. Submit your PIT-1 and all attachments.

### **CREDIT TYPE CODE A05 Agricultural biomass tax credit**

A credit is available for a taxpayer who owns a dairy or feedlot and who files a personal or corporate income tax return for a taxable year beginning on or after January 1, 2011, and ending before January 1, 2020.

The Department may allow a credit equal to \$5 per wet ton of agricultural biomass transported from the taxpayer's dairy or feedlot to a facility that uses agricultural biomass to generate electricity or makes biocrude or other liquid or gaseous fuel for commercial use.

### **Carry Forward for Four Years**

Excess credit is not refundable, but you can carry it forward for a maximum of four consecutive tax years following the year the Department approved the credit.

### **How To Apply For This Credit**

You must first obtain a certificate of eligibility from EMNRD to qualify for this credit. When EMNRD issues you a certificate of eligibility, obtain approval from the Department by submitting to the Department a completed Form RPD-41362, *Agricultural Biomass Tax Credit Approval*, and the certificate of eligibility. The Department approves the credit and returns the approved form to the owner or holder.

### **How To Claim This Credit**

After you receive approval, you can claim the credit by following these steps:

1. Complete Form RPD-41361, *Agricultural Biomass Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit number the Department assigned on Form RPD-41362, *Agricultural Biomass Tax Credit Approval*.



If the tax credit was transferred to you, enter the new credit number on RPD-41363, *Notice of Transfer of Agricultural Biomass Tax Credit*.

3. Attach the following to your PIT-1:
  - RPD-41361
  - PIT-CR
  - Copy of certificate of eligibility issued by EMNRD
4. Submit your PIT-1 and all attachments.

#### **CREDIT TYPE CODE B01**

##### **Business facility rehabilitation credit**

The business facility rehabilitation credit is enacted for some pre-approved costs of restoration, rehabilitation, or renovation of a qualified business facility located in a New Mexico enterprise zone.

##### **Requirements**

The facility must be suitable for use and put into service in the manufacturing, distribution, or service industry immediately after the restoration, rehabilitation, or renovation project. This credit is for 50% of the pre-approved costs, not to exceed \$50,000.

##### **Carry Forward for Four Years**

An amount exceeding the tax liability is not refundable, but you may carry it forward for four consecutive years.

##### **How To Claim This Credit**

To claim the credit, you must receive certification from the Enterprise Zone Program Officer of the New Mexico Economic Development Department (EDD). You are required to complete PIT-5, *Qualified Business Facility Rehabilitation Credit*, and PIT-CR, and then attach the following to the PIT-1:

- PIT-5
- PIT-CR
- Certificate of completion issued by EDD

**NOTE:** This credit is not currently available. It was enacted in 1994 to administer the Federal Enterprise Zone Program supporting the renovation and rehabilitation of damaged or destroyed structures in community areas designated as enterprise zones. However,

the Federal Enterprise Zone Program has been discontinued and, after 2006, the New Mexico EDD has listed the New Mexico Enterprise Zone Program as an inactive program.

For more information on building revitalization programs in New Mexico, contact the New Mexico EDD at (505) 827-0300.

#### **CREDIT TYPE CODE B02**

##### **Blended biodiesel fuel tax credit**

Beginning January 1, 2007, but not after December 31, 2012, a rack operator or supplier who is required to pay the special fuel excise tax and who files a New Mexico personal or corporate income tax return may claim a credit against the tax due on the return for each gallon of blended biodiesel fuel on which the rack operator or supplier paid the special fuel excise tax in the tax year.

This credit also applies to a rack operator or supplier who would have paid the special fuel excise tax in tax years 2007 to 2012, except for certain deductions allowed for special fuel sold or the treaty exemption for North Atlantic Treaty Organization use.

To qualify for this credit, a taxpayer must be a registered New Mexico supplier who reports qualifying biodiesel fuel receipts by filing Form RPD-41306, *Combined Fuel Tax Report*.

##### **Carry Forward for Five Years**

Although the blended biodiesel tax credit is not refundable and it is not available for tax years beginning on or after January 1, 2013, you can claim a carryforward of the credit for five years from the certificate of eligibility date.

##### **How To Apply For This Credit**

To apply for the credit, complete and submit to the Department Form RPD-41322, *Blended Biodiesel Fuel Tax Credit Application*. Use this form to report your qualifying biodiesel fuel receipts and to establish your eligibility for the credit.

##### **How To Claim This Credit**

To claim this credit, follow these steps:

1. Complete RPD-41340.
2. Complete PIT-CR, leaving the **Credit Approval Number** blank. A credit approval number is not required to claim this credit.
3. Attach the following to your PIT-1:
  - RPD-41340
  - PIT-CR
4. Submit your PIT-1 and all attachments.

#### **CREDIT TYPE CODE C01**

##### **Cancer clinical trial tax credit**

A tax credit is available for an oncologist who conducts a cancer clinical trial beginning on or after January 1, 2012, but before January 1, 2016. A tax credit of \$1,000 is allowed for each participating patient, but must not exceed \$4,000 for all cancer clinical trials conducted by that physician during the tax year.

A taxpayer for whom all of the following are true qualifies for the cancer clinical trial tax credit:

- You are a physician licensed pursuant to the Medical Practice Act (Section 61-6-1 NMSA 1978).
- You file a New Mexico personal income tax or fiduciary income tax return.
- You are not a dependent of another taxpayer.
- Your practice is located in rural New Mexico.

Only a qualified licensed physician may claim the credit. If the physician belongs to a business association in which one or more members qualify for a cancer clinical trial tax credit, the credit is equally apportioned between the eligible physicians conducting, supervising, or participating in the trial.

The total cancer clinical trial tax credit allowed for all members of a partnership or business association cannot exceed the credit amount that could have been claimed by one qualified physician.

##### **How To Claim This Credit**

To claim this credit, follow these steps:

1. Complete Form RPD-41358, *Cancer Clinical Trial Tax Credit Claim Form*,

and Schedule PIT-CR.

2. Attach the following to your PIT-1:

- RPD-41358
- PIT-CR

3. Submit your PIT-1 and all attachments.

### CREDIT TYPE CODE E01

#### Electronic card-reading equipment tax credit

New Mexico has a one-time income tax credit for businesses that purchase electronic identification card readers for age verification. A business may claim this credit on a New Mexico PIT-1 or corporate income and franchise tax return if both of the following are true:

- The business is licensed to sell cigarettes, tobacco products, or alcoholic beverages.
- The business has purchased and is using equipment that electronically reads identification cards to verify age.

The credit amount is \$300 for each business location using electronic identification card readers. The total credit claimed by all members of the partnership or association may not exceed \$300 for each business location.

You claim this business-related income tax credit in the tax year the equipment was purchased and put into use.

#### Carry Forward Information

An amount exceeding the tax liability is not refundable, and you may not carry it forward or backward.

#### How To Claim This Credit

To claim this credit, follow these steps:

1. Complete and notarize Form RPD-41246, *Income Tax Credit for Electronic Identification Card Reader, Purchase and Use Statement*.
2. On Schedule PIT-CR, leave the **Credit Approval Number** box blank. A credit approval number is not required to claim this credit.
3. Submit the statement and PIT-CR with your PIT-1.

**NOTE:** When the credit (\$300) is split among spouses, owners, partners,

or other business associations, each claimant must show the division of the total credit (\$300 per business location) on Form RPD-41246, page 2.

### CREDIT TYPE CODE F01

#### Film production tax credit

The film production tax credit provides a credit for an eligible film production company. The amount of the credit is equal to 25% of direct production and direct postproduction expenditures. An additional 5% is allowed for certain direct production expenditures made for qualifying productions.

Direct production expenditures must be directly attributable to the production in New Mexico of a film or commercial audiovisual, and both direct and post production expenditures must be subject to taxation by the State of New Mexico. Excluded from the credit are costs for which the film production company has already issued a non-taxable transaction certificate under Section 7-9-86 NMSA 1978.

#### How To Apply For This Credit

To obtain approval for the credit, first apply to the New Mexico Film Office, a division of the EDD. After the film production company receives approval from EDD, the company must apply to the Department to get Department approval of the credit. See Form RPD-41229, *Application for Film Production Tax Credit*.

When you are approved, you may claim the credit by filing your personal or corporate income tax return.

#### How To Claim This Credit

You can claim the credit by following these steps:

1. Complete Form RPD-41228, *Film Production Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit approval number that the Department issued. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
3. Attach the following to your PIT-1:

- RPD-41228
- PIT-CR

4. Submit your PIT-1 and all attachments.

**NOTE:** The amount of film production tax credit you may claim against your tax due on this return and the amount you may receive as a refund (based on your claim for the film production tax credit are subject to certain limitations governing the payment of film production tax credit claims. For details about these limitations and how your claim may be impacted, see the instructions for RPD-41228, *Film Production Tax Credit Claim Form*.

### CREDIT TYPE CODE G01

#### Geothermal ground-coupled heat pump tax credit

A credit is available for a taxpayer who has purchased and installed a geothermal ground-coupled heat pump after January 1, 2010, but before December 31, 2020. To qualify for the tax credit, you must install the pump in a residence, business, or agricultural enterprise in New Mexico that you own or that a partnership or other business association of which you are a member owns.

The credit, which may not exceed \$9,000, is available for up to 30% of the purchase and installation costs.

#### Carry Forward for 10 Years

This credit is not refundable, but you can carry forward unused credit for a maximum of 10 consecutive years following the tax year for which the credit was approved.

#### How To Apply For This Credit

To qualify for this credit, you must first obtain a certificate of eligibility from EMNRD.

#### How To Claim This Credit

After you receive the certificate of eligibility, you can claim the credit against personal income tax due by following these steps:

1. Complete Form RPD-41346, *Geothermal Ground-Coupled Heat Pump Tax Credit Claim Form*.

2. Complete PIT-CR. In the **Credit Approval Number** box, enter the certificate number EMNRD issued to you.

3. Attach the following to your PIT-1:
- RPD-41346
  - PIT-CR
  - Copy of certificate of eligibility from EMNRD

4. Submit your PIT-1 and all attachments.

#### **CREDIT TYPE CODE J01** **Job mentorship tax credit**

A taxpayer owning a New Mexico business may claim a job mentorship tax credit for employing qualified students who take part in a school-sanctioned career preparation education program. The credit equals 50% of gross wages paid to a maximum of 10 qualified students. The business must employ each student for up to 320 hours during the tax year.

A taxpayer may not claim a credit for one qualified individual for more than three tax years. The maximum credit for one tax year is \$12,000.

#### **Carry Forward for Three Years**

This credit is not refundable, but you can carry unused credit forward for three consecutive years.

#### **How To Apply For This Credit**

To apply for this credit, obtain a Form RPD-41280, *Job Mentorship Tax Credit Certificate*, from the secondary school that operates the career preparation education program for each qualified student you employ.

For help obtaining the certificate, contact the principal of the school that the student you employ attends.

#### **How To Claim This Credit**

To claim this credit, follow these steps:

1. Complete Form RPD-41281, *Job Mentorship Tax Credit Claim Form*.
2. Complete PIT-CR, leaving the **Credit Approval Number** box blank. A credit approval number is not required to claim this credit.
3. Attach RPD-41280, RPD-41281, and PIT-CR to your PIT-1.

#### **CREDIT TYPE CODE L01**

##### **Land conservation incentives credit**

Persons who donate land or interest in land to private or public conservation agencies for conservation purposes may claim a credit up to the following amounts from personal or corporate income tax equal to 50% of the fair market value of the land transferred:

- \$100,000 for donations made before January 1, 2008
- \$250,000 for donations made on or after January 1, 2008

For a donation made after January 1, 2008, the credit may be sold, exchanged, or transferred in increments of \$10,000 or more.

#### **Carry Forward for 20 Years**

Unused credit is not refundable, but you may carry it forward for up to 20 consecutive years following the year when the qualified donation occurred.

#### **How To Apply For This Credit**

To apply for this credit, follow these steps:

1. Contact the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to certify the eligibility of the donation.
2. After you receive the certificate of eligibility from EMNRD, complete Form RPD-41335, *Land Conservation Incentives Credit Application*.
3. Submit RPD-41335 and a copy of the certificate of eligibility to the Department.

#### **How To Claim This Credit**

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete Form RPD-41282, *Land Conservation Incentives Tax Credit Claim Form*.
2. Complete the PIT-CR. In the **Credit Approval Number** box, enter the credit number the Department assigned on Form RPD-41335, *Land Conservation Incentives Credit Application*. If the credit was transferred, enter the new credit number assigned on Form RPD-41336,

*Notice of Transfer of Land Conservation Incentives Tax Credit.*

3. Attach the following to your PIT-1:
- RPD-41282
  - PIT-CR
  - Letter from EMNRD certifying treatment as a qualified donation
4. Submit your PIT-1 and all attachments.

#### **CREDIT TYPE CODE P01**

##### **Preservation of cultural property credit**

The credit for preservation of cultural property is 50% of the approved eligible costs of a project for the restoration, rehabilitation, or preservation of cultural property listed on the official New Mexico Register of Cultural Properties, not to exceed \$25,000.

#### **Requirements**

The New Mexico Cultural Properties Review Committee must approve the project plan before the restoration begins and certify that the completed project conforms to the plan.

For tax years beginning on or after January 1, 2009, if the property is **also** certified by the State Coordinator of the New Mexico Arts and Cultural District Act as located within the boundaries of a state-certified or municipally-certified arts and cultural district, pursuant to the Arts and Cultural District Act, a maximum of \$50,000 credit is allowed.

#### **Carry Forward for Four Years**

An amount exceeding the tax liability is not refundable, but you may carry it forward for four consecutive years.

#### **How To Claim This Credit**

To claim this credit after you receive approval, follow these steps:

1. Complete Form PIT-4, *New Mexico Preservation of Cultural Property Credit*.
2. Complete Schedule PIT-CR. In the **Credit Approval Number** box, enter the log number shown on the project approval document that the Historic Preservation Division issued to you.
3. Attach the following to your PIT-1:



- PIT-4
- PIT-CR
- The Part 2 approval from the New Mexico Cultural Properties Review Committee
- If applicable, the approval from the New Mexico Arts and Cultural Districts coordinator

### **CREDIT TYPE CODE R01** **Rural job tax credit**

A rural job tax credit is available for employers in rural areas of New Mexico who qualify for Job Training Incentive Program (JTIP) assistance. Eligible employers may earn the rural job tax credit for each qualifying job created after July 1, 2000.

The employer must certify the wages paid to each eligible employee using Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*.

Calculate the rural job tax credit at 6.25% of the first \$16,000 in wages paid for each qualifying job for no more than:

- Four qualifying periods in a Tier 1 area
- Two qualifying periods in a Tier 2 area

A qualifying period is 12 months.

A rural area excludes Albuquerque, Corrales, Farmington, Las Cruces, Los Alamos County, Los Ranchos, Rio Rancho, Santa Fe, and Tijeras, and a 10-mile zone around these municipalities. Tier 2 areas are limited to Alamogordo, Carlsbad, Clovis, Gallup, Hobbs, and Roswell. Tier 1 is any rural area not part of a Tier 2 area.

The holder of the rural job tax credit may apply all or part of the credit against the holder's combined state gross receipts, compensating and withholding taxes, or personal or corporate income tax. When you file your PIT-1, indicate the amount of the credit you want to apply to your liability.

To learn more about JTIP assistance, visit the New Mexico EDD website, call (505) 827-0300 or (800) 374-3061, or go to [www.gonm.biz](http://www.gonm.biz).

### **Carry Forward for Three Years**

An amount exceeding the tax liability is not refundable, but you may carry it forward for three consecutive years.

### **How To Apply For This Credit**

To apply for the rural job tax credit, do the following:

1. Attach a notarized, completed Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, for each qualified job you claim in the eligible period.
2. Complete Form RPD-41238, *Application for Rural Job Tax Credit*.
3. Send the forms to the address on RPD-41238.

### **How To Claim This Credit**

After you receive approval from the Department, you can claim the credit by following these steps:

1. Complete Form RPD-41243, *Rural Job Tax Credit Claim Form*.
2. Complete Schedule PIT-CR. In the **Credit Approval Number** box, enter the credit approval number the Department issued to you. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
3. Attach the following to your PIT-1:
  - RPD-41243
  - PIT-CR
4. Submit the form and schedule along with your PIT-1.

### **CREDIT TYPE CODE R02**

### **Rural health care practitioners tax credit**

Beginning January 1, 2007, a taxpayer for whom **all** of the following are true may be eligible to claim the rural health care practitioners tax credit against a personal income tax liability:

- You file a New Mexico personal income tax return.
- You are not a dependent of another individual.
- You are an eligible health care practitioner.
- You have provided health care services in New Mexico in a rural

health care underserved area.

The following are the maximum amounts allowed for the credit you can claim, depending on profession:

- \$5,000 for eligible physicians, osteopathic physicians, dentists, clinical psychologists, podiatrists, and optometrists who qualify
- \$3,000 for dental hygienists, physician assistants, certified nurse-midwives, certified registered nurse anesthetists, certified nurse practitioners, and clinical nurse specialists who qualify

### **Hours Required to Qualify**

An eligible health care practitioner must have provided health care at a practice site located in an approved rural health care underserved area during a taxable year for at least:

- 2,080 hours to qualify for the full credit amount
- 1,040 hours, but less than 2,080 hours, to qualify for one-half the full credit amount.

### **Carry Forward for Three Years**

If the amount of the credit you claim exceeds your tax liability for the taxable year for which you are claiming the credit, you can carry forward the excess for three consecutive tax years. This credit is not refundable.

### **How To Apply For This Credit**

Before an eligible health care practitioner may claim the rural health care practitioner tax credit, the practitioner must apply to DOH for a certificate of eligibility for the credit. When DOH approves a practitioner, DOH issues a certificate to the qualified eligible health care practitioner.

### **Lists of Locations Approved by DOH**

DOH compiles and annually revises lists of approved rural practice locations. These revisions reflect any changes in the need for health practitioners throughout the state.

Separate lists are available for different categories of health care practitioners. The lists are compiled with the input of a program advisory group that includes representatives from several health

professions.

### How To Claim This Credit

After you receive the certificate of eligibility from DOH, you can claim the credit by following these steps:

1. Complete Form RPD-41326, *Rural Health Care Practitioner Tax Credit Claim Form*, and PIT-CR.
2. Attach the following to your PIT-1:
  - RPD-41326
  - PIT-CR
  - Copy of the certificate of eligibility received from DOH
3. Submit your PIT-1 and all attachments.

### For More Information

For a copy of location lists and for more information about certification of eligibility, contact DOH at (505) 222-8672 or visit their website at [www.health.state.nm.us/care.html](http://www.health.state.nm.us/care.html). The physical address of DOH is 300 San Mateo NE, Suite 900, Albuquerque, NM 87108.

### CREDIT TYPE CODE R03

#### Renewable energy production tax credit

Personal income and corporate income taxpayers receive credit for producing electricity by solar light or heat, wind, or biomass for 10 consecutive years beginning on the date the qualified energy generator begins producing electricity.

### How To Apply For This Credit

A qualifying energy generator means a facility with at least one megawatt generating capacity located in New Mexico that produces electricity using a qualified energy resource and sells this electricity to an unrelated person.

### Deduct, Refund, or Carry Forward for Five Years

You may deduct the credit from your personal income tax liability for which you are claiming the credit.

If the amount of the tax credit exceeds your personal income tax liability for the tax year, one of the following is possible:

- If the tax credit was issued with

respect to a qualified energy generator that first produced electricity using a qualified energy resource on or after October 1, 2007, the state refunds the excess to you.

**or**

- You may carry forward the excess credit for five years.

### How to Apply For the Credit

To qualify, the taxpayer must either hold title to a qualified energy generator that first produced electricity on or before January 1, 2018, or lease property upon which a qualified energy generator operates from a county or municipality under the authority of an industrial revenue bond. EMNRD must first approve the qualified energy generator and the business claiming the credit.

### How To Claim This Credit

When you receive approval from EMNRD, follow these steps to claim the credit:

1. Complete Form RPD-41227, *Renewable Energy Production Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the last day of the tax year when the electricity was produced for which you are claiming a credit or a carryforward.
3. Attach the following to your PIT-1:
  - RPD-41227
  - Certificate of eligibility from EMNRD
  - Allocation Notice approved by EMNRD, if applicable
  - PIT-CR
  - A copy of the letter from EMNRD certifying treatment as a qualified donation
4. Submit your PIT-1 and all attachments.

### CREDIT TYPE CODE S01

#### Solar market development tax credit

A taxpayer who has received certification from EMNRD for the purchase and installation of a qualified photovoltaic or solar thermal system in a residence, business, or agricultural enterprise in New Mexico owned by that taxpayer may claim the credit. The photovoltaic

or solar thermal system must be purchased and installed after January 1, 2006, but before December 31, 2016.

**NOTE:** The solar market development tax credit is reported on Schedule PIT-CR, as credit type code 9. The renewable energy tax credit is reported on Schedule PIT-CR, as credit type code 21. These credits are not the same credit.

The credit, which may not exceed \$9,000, is available for up to 10% of the purchase and installation costs of a qualified photovoltaic or solar thermal system.

### Carry Forward for 10 Years

You may carry forward unused credit for a maximum of 10 years.

### How To Claim This Credit

When you receive approval from EMNRD, follow these steps to claim the credit:

1. Complete Form RPD-41317, *Solar Market Development Income Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the certificate number shown on the certificate of eligibility EMNRD issued to you.
3. Attach the following to your PIT-1:
  - RPD-41317
  - PIT-CR
  - A copy of the letter from EMNRD certifying the project
4. Submit your PIT-1 and all attachments.

**IMPORTANT:** To claim this credit, you must have a certificate from EMNRD issued to you.

### CREDIT TYPE CODE S02

#### Sustainable building tax credit

A credit is available for construction in New Mexico of a sustainable building, for renovation of an existing building in New Mexico into a sustainable building, or for permanent installation of manufactured housing that is a sustainable building, regardless of where the housing is manufactured.



You may not claim the credit for tax years beginning on or after January 1, 2017.

The credit is available for residential and commercial buildings after the construction, installation, or renovation of the sustainable building is complete. To qualify for the tax credit, the building must have achieved a silver or higher certification level in the Leadership in Energy and Environmental Design (LEED) green building rating system or the Build Green NM rating system.

### Carry Forward for Seven Years

This credit is not refundable, but you can carry the credit forward for seven years from the tax year when the Department approved the credit.

### How To Apply For This Credit

To apply for this credit, follow these steps:

1. Contact the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to certify your eligibility.
2. After you receive the certificate of eligibility from EMNRD, promptly complete Form RPD-41327, *Sustainable Building Tax Credit Approval*.
3. Submit RPD-41327 and a copy of the certificate of eligibility to the Department.

### How To Claim This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete Form 41329, *Sustainable Building Tax Credit Claim Form*
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit number assigned by the Department on Form RPD-41327, *Sustainable Building Tax Credit Approval*. If the credit was transferred to you, enter the new credit number assigned on Form RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*.
3. Attach the following to your PIT-1:
  - RPD-41329
  - PIT-CR

- Copies of the letter of eligibility
4. Submit your PIT-1 and all attachments.

### CREDIT TYPE CODE T01

#### Technology jobs (additional) tax credit

The technology jobs tax credit is 4% of qualified expenditures for conducting research and development. If you increase your annual payroll by at least \$75,000 for every \$1 million in qualified expenditures you claim in a tax year, an additional 4% credit is available. The basic and additional credits double for businesses in rural areas. Qualified expenditures must be made prior to January 1, 2015, to qualify.

**NOTE:** You may apply only additional technology jobs tax credits to your income tax liability.

You must make the eligible expenditures for research and development at a qualified facility. For a description of qualified expenditures, see the instructions for Form RPD-41239, *Application for Technology Jobs Tax Credit*.

The holder of the technology jobs tax credit document may apply all or part of the credit against the holder's combined state gross receipts and compensating and withholding taxes. If you earned additional credits, you may claim that amount against personal or corporate income taxes.

### Carry Forward Information

An amount exceeding the tax liability is not refundable, but you may carry it forward.

### How To Apply For This Credit

The technology jobs tax credit provisions are not available for qualified expenditures made after January 1, 2015. However, if you have been approved for the technology jobs tax credit; you may carry forward any unused credit amounts in subsequent periods.

A taxpayer with expenditures made after January 1, 2015, should review Form RPD-41385, *Application for Technology Jobs and Research and Development Tax Credit*, to see if that

credit is available to them.

### How To Claim This Credit

After you receive approval from the Department, you may claim the credit by following these steps:

1. Complete Form RPD-41244, *Technology Jobs and Research and Development Tax Credit Claim Form*.
2. Complete Schedule PIT-CR.
  - In the **Credit Approval Number** box, enter the credit approval number the Department issued to you. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
  - In the **Amount Claimed Applied To Tax Due** box, indicate the amount of the credit you want to apply to your liability.
3. Attach the following to your PIT-1:
  - RPD-41244
  - PIT-CR
4. Submit RPD-41244 and PIT-CR along with your PIT-1.

### CREDIT TYPE CODE T02

#### Technology Jobs and Research and Development Tax Credit.

This credit is 5% of qualified expenditures for conducting research and development. An additional 5% credit is available if the taxpayer increases its annual payroll by at least \$75,000 for every \$1 million in qualified expenditures it claims in a tax year. The basic and additional credits double for businesses in rural areas. To be eligible, qualified expenditures must be made on or after January 1, 2015.

The taxpayer must make the eligible expenditures for research and development at a qualified facility. For more information on qualified expenditures, see the instructions for Form RPD-41385, *Application for Technology Jobs and Research and Development Tax Credit*.

The holder of the Technology Jobs and Research and Development Tax Credit document may apply all or part of "basic" credits against the holder's combined

state compensating, withholding, and gross receipts tax, less any local option gross receipts tax. "Basic" credit may be not be refunded but may be carried forward for three years from the date of the original claim.

If you have earned "additional" credits, you may claim that amount against personal or corporate income taxes. If the taxpayer is a qualified research and development small business, a portion of the "additional" credit can be refunded, based on the taxpayer's total qualified expenditures made in a tax year. Any credit not claimed against the taxpayer's income tax or corporate income tax due, or refunded, may be carried forward for three years from date of the original claim.

**NOTE:** Taxpayers who claim the research and development small business tax credit are ineligible to claim the investment tax credit or the technology jobs and research and development tax credit for the same reporting period.

#### How To Apply For This Credit

To apply for the basic and additional credit, do the following:

1. Complete Form RPD-41385.
2. Send it along with your expenditure and payroll increase documentation to the address on RPD-41385.

#### How To Claim This Credit

After you receive approval from the Department, you may claim the credit by following these steps:

1. Complete Form RPD-41386, *Technology Jobs and Research and Development Tax Credit Claim Form*.
2. Complete Schedule PIT-CR.
  - In the **Credit Approval Number** box, enter the credit approval number the Department issued to you. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
  - In the **Amount Claimed Applied To Tax Due** box, indicate the amount of the credit you want to apply to your liability.
  - In column D, indicate the amount of the credit to be refunded, if

eligible.

3. Attach the following to your PIT-1:
  - RPD-41386
  - PIT-CR
4. Submit RPD-41386 and PIT-CR along with your PIT-1.

#### CREDIT TYPE CODE V01

##### Veteran employment tax credit

For tax years beginning on or after January 1, 2012, but not after December 31, 2016, a taxpayer who employs a qualified military veteran in New Mexico is eligible for a credit against the taxpayer's personal or corporate income tax liability for up to \$1,000 for wages paid to the qualified military veteran.

The following are the requirements for this credit:

- The credit is only allowed for the employment of a veteran who was not previously employed by the taxpayer before the individual's deployment.
- You must have hired the veteran within two years of receipt of an honorable discharge from a branch of the U.S. military.
- The veteran must be employed full time.
- You may only claim the credit for any individual qualified military veteran for one year from the date of hire.
- Multiple employers may not claim a credit for the same qualified veteran in the same tax year.

If the veteran is employed for less than a full year, the credit for that year is reduced, based on the fraction of the year the veteran was actually employed.

#### Carry Forward for Three Years

Excess credit is not refundable, but you may carry it forward for up to three years.

#### How To Apply For This Credit

To apply for the credit, follow these steps:

1. For each eligible military veteran you employed in the tax year, com-

plete RPD-41370, *Certification of Eligibility for the Veteran Employment Tax Credit*.

2. On Form RPD-41371, *Application for Veteran Employment Tax Credit*, summarize the certificates and answer the questions establishing that you retain the status of an eligible employer.
3. Complete all the other sections of RPD-41371.
4. Submit the following to the Department:
  - RPD-41371
  - An RPD-41320 for each eligible veteran you employed during the tax year

The Department notifies you when you are approved.

#### How To Claim This Credit

To claim this credit, follow these steps:

1. Complete RPD-41372, *Veteran Employment Tax Credit Claim Form*.
2. Complete PIT-CR. In the **Credit Approval Number** box, enter the credit claim number shown on your approved Form RPD-41371, *Veteran Employment Tax Credit Application*.
3. Attach the following to your PIT-1:
  - RPD-41372
  - PIT-CR
4. Submit your PIT-1 and all attachments.