

NEW SOLAR MARKET DEVELOPMENT TAX CREDIT CLAIM FORM

Purpose of Form. Form TRD-41406, *New Solar Market Development Tax Credit Claim Form*, is used by a taxpayer who has been certified for a new solar market development tax credit by the Energy, Minerals and Natural Resources Department (EMNRD) and wishes to claim the credit against personal or fiduciary income tax liability (Section 7-2-18.31 NMSA 1978).

Name of taxpayer		Social Security Number (SSN) or Federal Employer Identification Number (FEIN)
Mailing address		City, state and ZIP code
Name of contact	Phone number	E-mail address

- 1. Enter the beginning and ending date of the tax year of this claim.** From _____ to _____
Tax years beginning prior to January 1, 2020 are NOT eligible.
- 2. Enter the Net New Mexico income tax calculated before applying any credit.** 2. \$ _____
- 3. Enter the portion of total credit being applied against the Net New Mexico income tax due.** Do not enter more than the amount of Net New Mexico personal or fiduciary income tax due. If using a carryforward amount from a credit first claimed in 2020 or 2021, use Schedule A to calculate the amount of credit still available. 3. \$ _____
- 4. Enter the portion of the total credit in excess of the Net New Mexico income tax due that is being refunded.** Enter only an amount from a credit claimed starting in tax year 2022. Do not include a carry-forward amount from the 2020 or 2021 tax years. A carry-forward from a prior year may not be refunded. 4. \$ _____

Under penalty of perjury, I declare that I have examined this claim, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of taxpayer _____ Date _____

New Solar Market Development Tax Credit Claim Form Instructions

The new solar market development tax credit may be claimed by a taxpayer who files a New Mexico personal or fiduciary income tax return for a tax year beginning on or after January 1, 2020, and has purchased and installed a qualified photovoltaic or a solar thermal system on or after March 1, 2020, but before December 31, 2027, in a residence, business or agricultural enterprise in New Mexico owned by that taxpayer. The credit, which may not exceed \$6,000, is available for up to 10% of the purchase and installation costs. Unused new solar market development tax credits that were claimed before January 1, 2022, may be carried forward for a maximum of 5 consecutive years following the tax year for which the credit was approved. New solar market development tax credits for tax years before January 1, 2022, are not refundable. The taxpayer must apply for a certification of eligibility with EMNRD before claiming this credit. To apply for the credit, contact the Energy Conservation and Management Division of EMNRD at (505) 476-3310, or visit their web site <http://www.emnrd.state.nm.us>.

Starting on January 1, 2022, the cap for the new solar market development tax credit was increased from \$8,000,000 to \$12,000,000. Applications received after each year's cap has been met, based on statute, will be denied by EMNRD. This credit must be claimed for the taxable year in which the taxpayer purchases and installs the solar system, and the taxpayer shall apply **within twelve (12) months following the calendar year in which the system was installed**. Any credit claimed after January 1, 2022, that is over the taxpayer's liability shall be refunded. The credit can be sold, exchanged, or otherwise

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transferred to another taxpayer for the full value of the credit. However, only credits issued for solar systems installed starting January 1, 2022, can be transferred.

When a holder or owner receives approval from New Mexico Taxation and Revenue Department (Tax & Rev), the credit may be sold, exchanged, or otherwise transferred. Form TRD-41406, *Notice of Transfer of New Solar Market Tax Credit*, must be used to report to Tax & Rev a transfer of a approved New Solar Market tax credit. Notice must be provided to Tax & Rev within 10 days of a sale, exchange, or other transfer. Tax & Rev issues the new holder an approval for the credit transfer, a new credit number, and instructions for applying the credit to tax due. This credit must be transferred in full. If the credit has been partially claimed, it can no longer be transferred.

To claim the credit, the taxpayer must attach to the personal income tax return (Form PIT-1) or fiduciary income tax return (Form FID-1) a completed Schedule CR (PIT-CR or FID-CR), TRD-41406, a copy of a certification of eligibility from EMNRD certifying the system and approving the taxpayer for the credit, Schedule A (pg 3) if they are claiming a remaining credit forward amount of the credit, and Schedule B (pg. 4) if the taxpayer approved for the credit is a business entity that is allocating the credit to members of a partnership or a limited liability company. You can sign into Taxpayer Access Point (TAP) at <https://tap.state.nm.us/Tap/>, and follow the prompts to attach this form to your return. **NOTE:** Failure to submit this form and other required attachments to your New Mexico personal or fiduciary income tax return will result in denial of the credit. For assistance completing this form or claiming the credit, call (505) 827-0792 or e-mail BusinessCredit.Mgr@state.nm.us.

For taxable years 2020 and 2021, the new solar market development tax credit may be deducted only from the taxpayer's New Mexico personal or fiduciary income tax liability and then the excess carried forward.

NOTE: Form RPD-41317, *Solar Market Development Tax Credit Claim Form* must be used to claim credit for qualified photovoltaic or solar thermal systems previously certified by EMNRD for the tax years beginning January 1, 2006 to January 1, 2016.

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Schedule A**

Fill out the schedule below **only** if a new solar market development tax credit was initially approved for tax years 2020 or 2021 and there is a carry-forward amount. Apply unused credit from carry-forwards before applying new credit to the net New Mexico income tax amount due. Credit that is unused (e) in tax year 2020 or 2021 may be carried forward for a maximum of 5 consecutive tax years following the tax year in which the solar thermal or photovoltaic system was approved.

(a) Certificate number	(b) Tax year the credit was approved	(c) Amount of credit approved	(d) Total credit claimed in previous tax years	(e) Unused credit [(c) - (d)]	(f) Applied to the attached return
				TOTAL*:	

*Enter the sum of column (f) here. This total amount should be added to pg.1

Schedule A Instructions

For each new solar market development tax credit that was approved to be claimed in tax years 2020 or 2021 and there is a carry-forward amount available, complete a row in Schedule A. Each credit will have received a certificate of eligibility from the EMNRD. Do not include credits which have been claimed in full in prior tax years. A credit amount may only be carried forward for a maximum of 5 consecutive tax years following the tax year in which it is claimed.

COLUMN INSTRUCTIONS

(a) Certificate number. Enter the certificate number shown on the certificate of eligibility for the new solar market development tax credit issued to you by EMNRD to be initially claimed in 2020 or 2021.

(b) Tax year the credit was approved. Enter the tax year for which the new solar market development tax credit has been certified as indicated on the certificate of eligibility. This tax year should only be 2020 or 2021.

(c) Amount of credit approved. For each certificate listed, enter the amount of credit certified as indicated on the certificate of eligibility.

(d) Total credit claimed in previous tax years. For each credit amount listed in column (b), enter the total amount of credit claimed in all tax years prior to the current tax year.

(e) Unused credit. For each credit, subtract the amount in column (d) from the amount in column (c).

(f) Applied to the attached return. For each credit, enter in column (f) the amount that is applied to the attached New Mexico income tax return.

When calculating the amount in column (f), apply the following rules:

- **Applying credits:** Apply new solar market development tax credits in the order that they were approved. If you have both a carry-forward credit and new credit derived from a certified solar thermal or photovoltaic system during the current tax year, apply the oldest credit against the income tax liability first.
- **The maximum amount of credit claimed in a tax year.** The sum of tax credits applied to the tax due on the return may not exceed the net New Mexico income tax claimed on the New Mexico income tax return. That amount is the net New Mexico income tax calculated before applying any withholding, payments, or tax credits claimed.

**Business Entity Only - Disclosure of Ownership Interest
Schedule B**

Complete Schedule B if the credit was awarded to a business entity and that business entity is allocating the right to claim the credit to members of the partnership or limited liability company. The credit must be allocated in proportion to the taxpayer's ownership interest in the business entity. The total credit claimed by all members of the partnership or limited liability company shall not exceed the amount of the credit specified on the EMNRD certificate of eligibility.

Certificate Number: _____
Amount of credit approved: _____

Name	SSN	Ownership Interest%	Amount of Credit
		TOTAL*:	

*Total can not exceed the amount of credit awarded on the certificate of eligibility form EMNRD.

Schedule B Instructions

For each new solar market development tax credit approved by the New Mexico EMNRD for a business entity that needs to be allocated based on ownership interest a Schedule B will need to be completed.

Certificate number. Enter the certificate number shown on the certificate of eligibility for the new solar market development tax credit issued to you by EMNRD.

Amount of credit approved. Enter the amount of credit certified as indicated on the certificate of eligibility from EMNRD.

Name. Enter the name of each member of the partnership or limited liability company.

SSN. Enter the social security number of each member of the partnership or limited liability company.

Ownership Interest %. For each member enter the members ownership interest in the partnership or limited liability company.

Amount of Credit. Multiply the amount of the credit approved for the business entity by the members ownership interest. This is the amount of credit that each member of the partnership or limited liability company can claim against their income tax liability.