

New Mexico Taxation and Revenue Department
Application For Rural Job Tax Credit

An eligible employer files this form annually to apply for a Rural Job Tax Credit for all qualifying jobs created and includes all qualifying periods that closed during the calendar year claimed. See instructions for more detail.

Section 1: Identifying Information		
1. Name of Eligible Employer		
2. FEIN, SSN or ITIN	3. NMBTIN	
4. Mailing Address - City, State, Zip Code		
5. Physical Address - City, State, Zip Code		
6. Name of Contact Person	7. Telephone Number	8. Email Address
Section 2: Calculation of Credit Claimed		
Enter the information requested under the Tier One Area or Tier Two Area column that describes the location of all eligible jobs being claimed.		
9. Calendar Year: January 1 through December 31 of _____ <small style="margin-left: 100px;">Enter Year Above</small>	Tier One Area	Tier Two Area
10. Number of eligible jobs claimed.	10a.	10b.
11. Total Eligible Wages. \$16,000 maximum per job.	11a.	11b.
12. Rural Job Tax Credit Claimed.	12a.	12b.
13. Total Amount of Credit Claimed. (Tier One Area plus Tier Two Area)		
Section 3: Required Attachments for a Completed Application		
14. Please place a checkmark next to all required attachments that are being submitted. <ul style="list-style-type: none"> <input type="checkbox"/> A complete RPD-41274 which includes information for each eligible job claimed in Section 2. <input type="checkbox"/> An Email from the Economic Development Department (EDD) indicating that the taxpayer was eligible for the Job Training Incentive Program (JTIP) during all qualifying periods claimed. <input type="checkbox"/> A dataset of all payroll information claimed for the qualifying periods in Excel format, to reconcile back to the wages claimed. This should include paycheck date and gross wages per paycheck for each of the employees claimed. <input type="checkbox"/> ACD-31102, <i>Tax Information Authorization Tax Disclosure</i>, will need to be submitted if the contact person for this application is not the taxpayer, a corporate officer, partner, or fiduciary who has been previously identified as such to the Department or an authorized individual representative with the authority to perform all authorized acts that the taxpayer can perform. 		
Section 4: Signature		
This application must be signed by the taxpayer, a corporate officer, partner, or fiduciary who has been previously identified as such to the Department or an authorized individual representative with the authority to perform all authorized acts that the taxpayer can perform on behalf of the taxpayer.		
I declare that I have examined this claim, and to the best of my knowledge and belief it is true, correct, and complete.		
15. Printed Name	16. Title	
17. Signature	18. Date	

Application for Rural Job Tax Credit Instructions

About This Credit

The purpose of the Rural Job Tax Credit is to encourage businesses to start new businesses or expand existing businesses in rural areas of New Mexico.

The Rural Job Tax Credit Act, Section 7-2E-1.1 NMSA 1978 provides a credit for eligible rural employers for wages paid to eligible employees for each qualifying job the employer creates after July 1, 2000.

The amount of the Rural Job Tax Credit is 6.25% of the first \$16,000 in wages paid for the qualifying job in a qualifying period. An eligible employee must occupy the qualified job for at least 44 weeks.

The Rural Job Tax Credit may be claimed for each qualifying job for a maximum of four qualifying periods if the job is performed or based at a location in a tier one area, and two qualifying periods if the job is performed or based at a location in a tier two area.

Application

An eligible employer may apply to the Taxation and Revenue Department (Department) once per calendar year. Apply to the Department by completing form RPD-41238, *Application for Rural Job Tax Credit*.

On the application, summarize the wages reported on RPD-41247, *Rural Job Tax Credit Employee Eligibility Detail Report* and calculate the amount of credit.

FORM INSTRUCTIONS

Section 1

1. Enter name of eligible employer. If eligible employer is an individual, enter first name, middle initial, and last name.
2. Enter eligible employer's Federal Employer Identification Number (FEIN), Social Security Number (SSN), or Individual Taxpayer Identification Number (ITIN).
3. Enter eligible employer's New Mexico Business Tax Identification Number (NMBTIN).
4. Enter eligible employer's mailing address including city, state and zip code.
5. Enter eligible employer's physical address including city, state and zip code.
6. Enter contact person's name.
7. Enter contact person's telephone number.
8. Enter contact person's email address.

Section 2

Cells K19, L19, O19, P19, and R19 are formulated cells that total the numbers for their respective columns. The formula goes to line 200, if additional lines are used, the formula should be extended.

9. Enter the calendar year for which credit is being claimed. All qualifying periods claimed must end in the calendar year claimed.

10. Number of eligible jobs claimed.
 - a. Enter total number of tier one eligible jobs from RPD-41247 cell K19
 - b. Enter total number of tier two eligible jobs from RPD-41247 cell L19.
11. Total Eligible Wages.
 - a. Enter total number of Tier One Area eligible wages from RPD-41247 cell O19. The maximum amount of eligible wages per qualifying period is \$16,000.
 - b. Enter total number of Tier Two Area eligible wages from RPD-41247 cell P19. The maximum amount of eligible wages per qualifying period is \$16,000.
12. Rural Job Tax Credit Claimed.
 - a. Enter total amount of Tier One Area credit claimed from RPD-41247 cell Q19. The maximum amount of credit per qualifying period is \$1,000.
 - b. Enter total amount of Tier Two Area credit claimed from RPD-41247 cell R19. The maximum amount of credit per qualifying period is \$1,000.
13. Enter the total amount of credit claimed. Add 12a and 12b.

Section 3

14. Place a checkmark next to all required attachments that are being submitted. See table below for more information.

Required Documents for a Completed Application	
RPD-41238	RPD-41238, <i>Application for Rural Job Tax Credit</i>
RPD-41247	RPD-41247, <i>Rural Job Tax Credit Employee Eligibility Detail Report</i>
JTIP Eligibility	Email from the Economic Development Department (EDD) indicating that the taxpayer was eligible for the Job Training Incentive Program (JTIP) during all qualifying periods claimed
Payroll	A dataset of all payroll information claimed for the qualifying periods in Excel format, to reconcile back to the wages claimed. This should include paycheck date and gross wages per paycheck for each of the employees claimed.
ACD-31102	ACD-31102, <i>Tax Information Authorization Tax Disclosure</i> , will need to be submitted if the contact person for this application is not the taxpayer, a corporate officer, partner, or fiduciary who has been previously identified as such to the Department or an authorized individual representative with the authority to perform all authorized acts that the taxpayer can perform.
Additional documentation may be requested if needed.	

Application for Rural Job Tax Credit Instructions

Section 4

Before submission, this application must be signed by a corporate officer, partner, or fiduciary who has been previously identified as such to the Department or an authorized individual representative with the authority to perform all authorized acts that the taxpayer can perform on behalf of the taxpayer. By signing this application you are certifying that this application is true, correct, and complete.

15. Enter the printed name of signer
16. Enter the title of signer
17. Enter signature
18. Enter the date application is signed. Use the date format mm/dd/ccyy

Form Submission

Submit the completed RPD-41238, RPD-41247, and all required documents listed in the table above using Taxpayer Access Point (TAP), <https://tap.state.nm.us>, via email, or mail. **NOTE:** You must have an account to apply for the credit using TAP.

Forms and Publications can be located on our website: <https://www.tax.newmexico.gov/forms-publications/>.

Email: TRD-BusinessCredit@state.nm.us

Mail: Taxation and Revenue Department
Attn: ACD Business Credit
P.O. Box 8575
Albuquerque, New Mexico 87198-8575

Processing Time

The Department will make a determination within 120 days of the date on which the completed application is received. For status of the application please contact the Business Credit Unit by email or by phone 505-795-1735. If approved, the applicant will be issued a document granting the tax credit.

To Claim the Credit

The holder of the tax credit document may claim all or a portion of the rural job tax credit granted by the document against the holder's modified combined tax liability, personal income tax liability or corporate income tax liability. Any balance of rural job tax credit granted by the document may be carried forward for up to three years from the date of issuance of the tax credit document. No amount of rural job tax credit may be applied against a gross receipts tax or compensating tax imposed by a municipality or county. When claiming the Rural Job Tax Credit RPD-41243, *Rural Job Tax Credit Claim Form* must be submitted with the return.

If a PTE is a holder of the credit, the PTE may pass the credit to its owners so that the owners may claim the credit

against their corporate or personal income tax liabilities. Use form RPD-41365, *Notice of Transfer of Rural Job Tax Credit*, to report to the Department a distribution of approved rural job tax credit to the owners, members or partners of a PTE.

Transfer Of Credit

This credit may be sold, exchanged, or otherwise transferred. The parties to such a transaction shall notify the Department within ten days of the transaction. Use form RPD-41365, *Notice of Transfer of Rural Job Tax Credit*, to report the transfer or distribution of approved rural job tax credits.

Definitions

Eligible Employee - means any individual other than an individual who:

- Is a dependent of the employer;
- If the employer is an estate or trust, is a grantor, beneficiary or fiduciary of the estate or trust or is a dependent of a grantor, beneficiary or fiduciary of the estate or trust;
- If the employer is a corporation, is a dependent of an individual who owns, directly or indirectly, more than fifty percent in value of the outstanding stock of the corporation;
- If the employer is an entity other than a corporation, estate or trust, is a dependent of an individual who owns, directly or indirectly, more than fifty percent of the capital and profits interests in the entity; or
- Is working or has worked as an employee or as an independent contractor for an entity that, directly or indirectly, owns stock in a corporation of the eligible employer or other interest of the eligible employer that represents fifty percent or more of the total voting power of that entity or has a value equal to fifty percent or more of the capital and profits interests in the entity.

Eligible Employer - means an employer who is eligible for in-plant training assistance pursuant to Section 21-19-7 NMSA 1978. To learn more, visit the New Mexico Economic Development Department's website: <https://edd.newmexico.gov/> or call (505) 827-0300.

New Job - means a job that is occupied by an employee who has not been employed in New Mexico by the eligible employer in the three years prior to the date of hire;

Qualifying Job - means a new job that was created after July 1, 2000 and that was not created due to a change in organizational structure established by the employer that is occupied by an eligible employee for at least 44 weeks of a qualifying period.

Per Section 7-2E-1.1(J) NMSA 1978 a qualifying job shall not be eligible for a rural job tax credit if:

- The job is created due to a business merger, acquisi-

Application for Rural Job Tax Credit Instructions

tion or other change in organization;

- The eligible employee was terminated from employment in New Mexico by another employer involved in the merger, acquisition or other change in organization; and
- The job is performed by:
 - The person who performed the job or its functional equivalent prior to the business merger, acquisition or other change in organization; or
 - A person replacing the person who performed the job or its functional equivalent prior to the business merger, acquisition or other change in organization

Per Section 7-2E-1.1(L) NMSA 1978 a job shall not be eligible for a rural job tax credit if the job is created due to an eligible employer entering into a contract or becoming a subcontractor to a contract with a governmental entity that replaces one or more entities performing functionally equivalent services for the governmental entity in New Mexico unless the job is a qualifying job that was not being performed by an employee of the replaced entity.

Qualifying Period - means the period of 12 months beginning on the day an eligible employee begins working in a qualifying job or the period of 12 months beginning on the anniversary of the day an eligible employee began working in a qualified job.

Rural Area - means any part of the state other than:

- An H class county;
- The state fairgrounds;
- An incorporated municipality within a metropolitan statistical area if the municipality's population is thirty thousand or more according to the most recent federal decennial census; and
- Any area within ten miles of the exterior boundaries of a municipality described above.

Tier One Area - means:

- Any municipality within the rural area if the municipality's population according to the most recent federal decennial census is fifteen thousand or less; **or**
- Any part of the rural area that is not within the exterior boundaries of a municipality.

Tier Two Area - means any municipality within the rural area if the municipality's population according to the most recent federal decennial census is more than fifteen thousand.

Wages - means all compensation paid by an eligible employer to an eligible employee through the employer's payroll system, including those wages the employee elects to defer or redirect, such as the employee's contribution to 401(k) or cafeteria plan programs, but not including benefits or the employer's share of payroll taxes.

RPD-41247, Rural Job Tax Credit Employee Eligibility Detail Report Instructions

RPD-41247, *Rural Job Tax Credit Employee Eligibility Detail Report*, must accompany the RPD-41238, *Application for Rural Job Tax Credit*, to the Department. Complete all information requested on the spreadsheet and attach the spreadsheet to the application along with the other required documents.

SPREADSHEET INSTRUCTIONS

Rows 5 through 14

Make sure the information in these rows matches the information for the eligible employer on RPD-41238, *Application for Rural Job Tax Credit*.

- Row 5. Enter name of eligible employer. If eligible employer is an individual, enter first name, middle initial, and last name.
- Row 6. Enter eligible employer's Federal Employer Identification Number (FEIN), Social Security Number (SSN), or Individual Taxpayer Identification Number (ITIN).
- Row 7. Enter eligible employer's New Mexico Business Tax Identification Number (NMBTIN).
- Row 8. Enter the date from the signature section of the RPD-41238. Use the date format mm/dd/ccyy
- Row 12. Check this box if the applicant eligible employer is eligible to receive development training program assistance pursuant to Section 21-19-7 NMSA 1978 known as the Job Training Incentive Program (JTIP)
- Row 13. Check this box if the eligible employer has **not** ceased any of its business operations in New Mexico.
- Row 14. Check this box if the eligible employer was **not** involved in a merger or acquisition during the time the of qualifying periods claimed

Columns A through U

Columns A through U rows 20 and below are completed for each eligible employee and qualifying job claimed. If more than one qualifying employee occupied the qualifying job during the calendar year this application is for, complete a separate row for each eligible employee.

DO NOT ENTER DATA IN ROW 19. Cells K19, L19, O19, P19, and R19 are formulated cells that total the numbers for their respective columns. The formula goes to line 200, if additional lines are used, the formula should be extended. These totals will be used to complete the RPD-41238.

- Column A. Enter eligible employee's last name.
- Column B. Enter eligible employee's first name.
- Column C. Enter eligible employee's middle initial.
- Column D. Enter eligible employee's Social Security Number or Individual Taxpayer Identification Number. If providing only the last 4 digits, prefill the

number with asterisks.

- Column E. Enter the position title associated with the qualifying job.
- Column F. Enter the position number associated with the qualifying job. You can choose any numeric characters, which must remain the same for purposes of reporting this rural job. The number must be unique to the position and separate from the employee occupying the position.
- Column G. Enter the date the qualifying job was created. Use the date format mm/dd/ccyy.
- Column H. Enter the beginning date of the qualifying period claimed on this application. Use the date format mm/dd/ccyy
- Column I. Enter the ending date of the qualifying period claimed on this application. Use the date format mm/dd/ccyy.
- Column J. Enter the qualifying period number being claimed for this position. Enter 1, 2, 3, 4, which corresponds to the qualifying period being claimed.
- Column K. Enter a "1" in this column if the claimed position is in a tier one area **or**
- Column L. Enter a "1" in this column if the claimed position is in a tier two area.
- Column M. Enter the number of weeks the eligible employee occupied the qualifying job during the qualifying period claimed.
- Column N. Enter the total gross wages paid during the qualifying period. **Do not** include benefits paid by the eligible employer or the eligible employer's share of payroll taxes.
- Column O. Enter the lesser of gross wages listed in column N or \$16,000 if the qualifying job is located in a tier one area **or**
- Column P. Enter the lesser of gross wages listed in column N or \$16,000 if the qualifying job is located in a tier two area.
- Column Q. Multiply column O by 6.25% or .0625 and enter amount not to exceed \$1000 if qualifying job is located in a tier one area.
- Column R. Multiply column P by 6.25% or .0625 and enter amount not to exceed \$1000 into column R if the position is located in a tier two area.
- Column S. Enter the total number of all employees employed by the employer at the job location on the day prior to the qualifying period start date.
- Column T. Enter the total number of all employees employed by the employer at the job location on the last day of the qualifying period.
- Column U. Enter the physical address where the qualifying rural job is located.