

STATE OF NEW MEXICO
TAXATION AND REVENUE DEPARTMENT
APPLICATION FOR HIGH-WAGE JOBS TAX CREDIT

Who Must File: An eligible employer files this form annually to apply for a high-wage jobs tax credit for each new high-wage job created on or after July 1, 2004 and before July 1, 2026, occupied during a qualified period beginning with the year the new job is created and for three consecutive qualifying periods. The amount of the credit is 8.5% of wages paid to an eligible employee in a high-wage job for a maximum credit of \$12,750 per qualifying period. See the instructions for important definitions. For the status of an application or to contact an auditor, call (505) 795-1735 or send an email to TRD-BusinessCredit@state.nm.us.

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|---------------------------|---|---------------|
| Name of eligible employer | New Mexico Business Tax Identification Number | |
| Physical address | City, state, and ZIP code | |
| Mailing address | City, state, and ZIP code | |
| Name of contact | Phone number | Email address |

Total High-Wage Jobs Tax Credit

1. Claimed qualifying period(s) for the calendar year: January 1 to December 31, 20 _____ (year)
2. Enter the total number of eligible employees occupying a new high-wage job in a qualifying period included in this application. Refer to the number of employees reported in RPD-41376, *High-Wage Jobs Employee Eligibility Detail Report*. _____
3. Enter the total high-wage jobs tax credit claimed (from column T of RPD-41376, *High-Wage Jobs Employee Eligibility Detail Report*). \$ _____

NOTE: Attach the following required documents to this application—RPD-41376, *High-Wage Jobs Employee Eligibility Detail Report* and all supporting documentation. Form RPD-41376, *High-Wage Jobs Employee Eligibility Detail Report* can be downloaded from our website. Visit <https://www.tax.newmexico.gov/forms-publications/> then select **High Wage Jobs** from the **Tax Credits (TC)** folder. Instead of sending the form and attachments you may apply online from our web site at <https://tap.state.nm.us> or email TRD-BusinessCredit@state.nm.us for a link to email the documents using a secure application.

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| <p>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 receive Federal and State confidential information on behalf of the taxpayer.</p> <p>Under penalty of perjury and subject to the applicable penalty outlined in Section 7-9G-1(L) NMSA 1978, I declare that I have examined this claim, and to the best of my knowledge and belief it is true, correct, and complete.</p> <p>Signature of claimant _____</p> <p>Print name of claimant _____</p> <p>Date Signed _____</p> |
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STATE OF NEW MEXICO
TAXATION AND REVENUE DEPARTMENT

**APPLICATION FOR HIGH-WAGE JOBS TAX CREDIT
INSTRUCTIONS**

PURPOSE

The purpose of the high-wage jobs tax credit is to provide an incentive for urban and rural businesses to create and fill new high-wage jobs in New Mexico.

The high-wage jobs tax credit may be claimed by an eligible employer for each new high-wage job performed for the year in which the new high-wage job is created and for the three consecutive qualifying periods. A taxpayer must apply for approval of the credit no later than December 31 of the following calendar year claimed on the application.

HOW TO APPLY

Complete Form RPD-41288, *Application for High-Wage Jobs Tax Credit*. Submit the completed application to the Taxation and Revenue Department (the Department) along with RPD-41376, *High-Wage Jobs Employee Eligibility Detail Report* and all supporting documentation in electronic format. The report's instructions begin on page 4 of these instructions. Form RPD-41288, and Form RPD-41376 can be downloaded from our web site. Visit <https://www.tax.newmexico.gov/forms-publications/> then select **High Wage Jobs** from the **Tax Credits (TC)** folder.

DOCUMENTS TO SUBMIT WITH APPLICATION

Additional documentation may be requested if needed. However, below is a list of the documentation that is required to be submitted along with the application.

| | |
|---------------------------|---|
| Application | RPD-41288, <i>Application for High-Wage Jobs Tax Credit</i> |
| RPD-41376 | RPD-41376, <i>High-Wage Jobs Employee Eligibility Detail Report</i> |
| JTIP Eligibility | Email from the Economic Development Department (EDD) indicating that the taxpayer was eligible for Job Training Incentive Program (JTIP) during all qualifying periods claimed. |
| Employee Listing | Listing of all employees, in Excel format, (by location, if more than one location is included on the credit application) from July 1, 2004 through present date for ALL New Mexico employees detailing: employee name, job title, hire date, termination date (if applicable), and wages as defined. In addition, if an employee's wages meet the threshold job requirements, indicate the dates of when the non-threshold wages ended (with a hire date and termination date) and when the threshold wages began (with a hire date and termination date, if applicable). All instances of employment (for example, hires, terminations, re-hires) should be included. See New High Wage Job definition for wage requirements. |
| Continued on next column. | |

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| Tax Information Authorization Tax Disclosure (TIA) | If the contact person for the credit is not the taxpayer or officer of the taxpayer, submit ACD – 31102 Tax Information Authorization Tax Disclosure, allowing the Department to discuss this credit application. |
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APPLICATION FORM INSTRUCTIONS

Completing lines 1 through 4.

1. Complete all information requested in the address block.
2. Line 1. Enter the calendar year which all qualifying periods end.
3. Line 2. Enter the number of eligible employees occupying a new high-wage job in the qualified period included in this application. Refer to the number of entries on Form RPD-41376, *High-Wage Jobs Employee Eligibility Detail Report*.
4. Line 3. Enter the total high-wage jobs tax credit amount claimed from column T of RPD-41376. A credit of 8.5% of wages paid for each high-wage job in each qualified period is allowed. A maximum credit allowed of \$12,750 per qualifying period.

Make sure RPD-41288, *Application for High-Wage Jobs Tax Credit*, is signed. Either apply online from our web site at <https://tap.state.nm.us> or email this application along with RPD-41376, *High-Wage Jobs Employee Eligibility Detail Report*, and all of the supporting documentation to TRD-BusinessCredit@state.nm.us or mail to:

Taxation and Revenue Department
Attn: ACD Business Credits,
P. O. Box 8485,
Albuquerque, NM 87198-8485.

The Department will make a determination within 120 days of the date on which the completed application is received. You may call (505) 795-1735 or send an email to check the status. If approved, the applicant will be issued a document granting the tax credit.

After approval, complete RPD-41290, *High-Wage Jobs Tax Credit Claim Form*, to claim the credit against the modified combined tax liability due. (See the **Modified combined tax liability** definition on page 4 of these instructions.) The Department will refund any excess credit.

USING THE HIGH-WAGE JOBS TAX CREDIT

When approved, the high-wage jobs tax credit may be applied against the modified combined tax liability of a taxpayer.

To claim approved credits against tax liabilities, submit RPD-41290, *High-Wage Jobs Tax Credit Claim Form*, with the tax or surcharge return to which you want to apply the credit. You may apply the credit against tax owed on Form TRD-41413, *Gross Receipts Tax Return*, less local option gross receipts taxes; RPD-41114, *Enhanced 911 Services Surcharge*; or

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RPD-41116, *Telecommunications Relay Service Surcharge*. When applying the credit to gross receipts tax, you must pay any gross receipts tax due over the state rate of 5.000%. The Department will refund any excess credit.

The high-wage jobs tax credit may be claimed by an eligible employer for each new high-wage job performed for the year in which the new high-wage economic-based job is created and for the three consecutive qualifying periods.

A new high-wage job shall not be eligible for a credit pursuant to this section for the initial qualifying period unless the eligible employer's total number of employees with threshold jobs on the last day of the initial qualifying period at the location at which the job is performed or based is at least one more than the number of threshold jobs on the day prior to the date the new high-wage job was created.

A new high-wage job shall not be eligible for a credit pursuant to this section for a consecutive qualifying period unless the total number of threshold jobs at a location at which the job is performed or based on the last day of that qualifying period is greater than or equal to the number of threshold jobs at that same location on the last day of the initial qualifying period for the new high-wage economic-based job.

A new high-wage job shall not be eligible for a credit pursuant to this section if:

1. the new high-wage job is created due to a business merger or acquisition or other change in business organization;
2. the eligible employee was terminated from employment in New Mexico by another employer involved in the business merger or acquisition or other change in business organization with the taxpayer; and
3. the new high-wage economic-based job is performed by:
 - a. the person who performed the job or its functional equivalent prior to the business merger or acquisition or other change in business organization; or
 - b. a person replacing the person who performed the job or its functional equivalent prior to a business merger or acquisition or other change in business organization.

If, however, a new high-wage economic-based job was created by another employer and for which an application for the high-wage jobs tax credit was received and is under review by the Department prior to the time of the business merger or acquisition or other change in business organization, the employer shall remain eligible for the high-wage jobs tax credit for the balance of the qualifying periods. The new employer that results from a business merger or acquisition or other change in business organization may only claim the high-wage jobs tax credit for the balance of the qualifying period for which the qualifying job is otherwise

eligible.

DEFINITIONS

Eligible employer is an employer that during the applicable qualifying period(s) would be eligible for development training program assistance under the fiscal year 2019 policies defining development training program eligibility developed by the industrial training board in accordance with Section 21-19-7 NMSA 1798.

New high-wage job means a job created in New Mexico by an eligible employer on or after July 1, 2004 and prior to July 1, 2026, that is occupied for at least 44 weeks of a qualifying period by an eligible employee who is paid wages calculated for the qualifying period to be at least:

For a new high-wage job created prior to July 1, 2015:

- a. \$40,000 if the job is performed or based in or within 10 miles of the external boundaries of a municipality with a population of 60,000 or more according to the most recent federal decennial census or in a class H county; and
- b. \$28,000 if the job is performed or based in a municipality with a population of less than 60,000 according to the most recent federal decennial census or in the unincorporated area, that is not within 10 miles of the external boundaries of a municipality with a population of 60,000 or more, of a county other than a class H county;

For a new high-wage job created on or after July 1, 2015:

- a. \$60,000 if the job is performed or based in or within 10 miles of the external boundaries of a municipality with a population of 60,000 or more according to the most recent federal decennial census or in a class H county; and
- b. \$40,000 if the job is performed or based in a municipality with a population of less than 60,000 according to the most recent federal decennial census or in the unincorporated area, that is not within 10 miles of the external boundaries of a municipality with a population of 60,000 or more, of a county other than a class H county.

Eligible employee means an individual who is employed in New Mexico by an eligible employer and who is a resident of New Mexico. Eligible employee **does not** include an individual who:

- a. bears any of the relationships described in Paragraph (1) through (8) of 26 U.S.C. Section 152(a) to the employer or if the employer is a corporation to an individual who owns, directly or indirectly, more than 50% in value of the outstanding stock of the corporation or, if the employer is an entity other than a corporation to an individual who owns, directly or indirectly, more than 50% of the capital and profits interest in the entity;

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b. if the employer is an estate or trust; is a grantor, beneficiary, or fiduciary of the estate or trust; or is an individual who bears any of the relationships described in Paragraphs (1) through (8) of 26 U.S.C. Section 152(a) to a grantor, beneficiary, or fiduciary of the estate or trust;

c. is a dependent, as that term is described in 26 U.S.C. Section 152(a)(9), of the employer or if the taxpayer is a corporation of an individual who owns, directly or indirectly, more than 50% in value of the outstanding stock of the corporation, or if the employer is an entity other than a corporation, of an individual who owns, directly or indirectly, more than 50% of the capital and profits interest in the entity, or if the employer is an estate or trust of a grantor, beneficiary, or fiduciary of the estate or trust; or

d. 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 50% or more of the total voting power of that entity or has a value equal to 50% or more of the capital and profits interest in the entity.

Domicile means the sole place where an individual has a true, fixed, permanent home. It is the place where the individual has a voluntary, fixed habitation of self and family with the intention of making a permanent home.

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 3 years prior to the date of hire.

Qualifying period means the 12 months beginning on the day an eligible employee begins working in a new high-wage job, or 12 months beginning on the anniversary of the day an eligible employee began working in a new high-wage job.

Resident means a natural person whose domicile is in New Mexico at the time of hire or within 180 days of the date of hire.

Threshold job means a job that is occupied for at least 44 weeks of a calendar year by an eligible employee and that meets the wage requirement for a new high wage job.

Wages means all compensation paid by an eligible employer to an eligible employee through the employer's payroll system, including those wages that the employee elects to defer or redirect or the employee's contribution to a 401(k) or cafeteria plan program, but wages does not include benefits or the employer's share of payroll taxes, social security or medicare contributions, federal or state unemployment insurance contributions or workers' compensation.

Benefits means all remuneration for work performed that is provided to an employee in whole or in part by the employer, other than wages, including the employer's contributions to insurance programs, health care, medical, dental and vision plans, life insurance, employer contributions to pensions, such as a 401(k), and employer-provided services such as child care offered by an employer to the employee. Benefits does not include the employer's share of payroll taxes, social security, medicare contributions, federal or state unemployment insurance contributions, or workers' compensation.

Modified combined tax liability means the total liability for the reporting period for the gross receipts tax imposed by Section 7-9-4 NMSA 1978 together with any tax collected at the same time and in the same manner as the gross receipts tax, such as the compensating tax, the withholding tax, the interstate telecommunications gross receipts tax, and the surcharges imposed by Section 63-9D-5 NMSA 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978, minus the amount of any credit other than the high-wage jobs tax credit applied against any or all of these taxes or surcharges; but modified combined tax liability excludes all amounts collected with respect to local option gross receipts taxes.

Certification for Job Training Incentive Program (JTIP) assistance. If you are certified for JTIP assistance, you may also qualify as an eligible employer for purposes of the high-wage jobs tax credit. For information on becoming certified for JTIP assistance, visit the New Mexico Economic Development Department's web page, <https://gonm.biz>, or call (800) 374-3061.

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HIGH-WAGE JOBS TAX CREDIT

RPD-41376, HIGH-WAGE JOBS EMPLOYEE ELIGIBILITY DETAIL REPORT
INSTRUCTIONS

Form RPD-41376, *High-Wage Jobs Employee Eligibility Detail Report*, must accompany your submission of RPD-41288, *Application for High-Wage Jobs Tax Credit*, to the New Mexico Taxation and Revenue Department (the Department). Complete all information requested on the form and attach the form to the application along with the other required documents. See the column instructions below.

Forms RPD-41376 and RPD-41288 can be downloaded from our web site. Visit <https://www.tax.newmexico.gov/forms-publications/>, then select **High Wage Jobs** from the **Tax Credits (TC)** folder. Instead of sending the form and attachments you may apply online from our web site at <https://tap.state.nm.us> or contact an auditor for a link to email the documents using a secure application.

ROWS 7 THROUGH 16

Make sure the information in these rows matches the information for the eligible employer on RPD-41288, *Application for High-Wage Jobs Tax Credit*.

Row 7: Enter the name of the eligible employer.

Row 8: Enter employer's New Mexico Business Tax identification number (NMBTIN).

Row 9: Enter the date from the signature section of Form RPD-41288, *Application for the High-Wage Jobs Tax Credit*. Use the date format mm/dd/ccyy.

Row 10: Enter the Business Location Address.

Row 14: Check this box if the applicant employer is eligible to receive development training program assistance under the fiscal year 2019 policies defining development training program eligibility developed by the industrial training board in accordance with Section 21-19-7 NMSA 1978.

Row 15: Check this box if the employer has been involved in a merger or acquisition between January 1, 2004 and the date of the application.

Row 16: Check this box to certify Eligible Employees claimed on the application meet the requirements per Section 7-9G-1 NMSA 1978.

COLUMNS A THROUGH T

Columns A-C: Enter the name (last name, first name, middle initial) of the employee who is filling the position. If more than one employee occupied the qualifying job during the qualifying period, use one row for both employees.

Column D: Enter the employee's social security number (SSN) or Individual Taxpayer Identification Number (ITIN). If providing only the last 4 digits, pre fill the number with asterisks.

Column E: Enter the position title.

Column F: Enter the position number. Choose any numeric characters, which must remain the same for purposes of reporting this high-wage job. The number must be unique to the position and separate from the employee occupying the position.

Column G: Enter the date the qualifying position was created. Use the date format mm/dd/ccyy. The job must be created on or after 07/01/2004 and prior to 07/01/2026.

Columns H and I: Enter the beginning and ending date of the qualifying period included in this application. Use the date format mm/dd/ccyy. See the definition of **Qualifying period** on page 3.

Column J: Enter the qualifying period claimed for this position. The high-wage jobs tax credit is limited to the year the position was created and for consecutive qualifying periods for each job. Enter 1, 2, 3, 4, *which corresponds to the qualifying period being claimed*.

Column K: Enter the number of weeks the job was occupied during the qualifying period by the employee filling the position.

Column L: For initial qualifying periods claimed, enter the total number of employees with threshold jobs on the day prior to the day the position was created.

Column M: For initial qualifying periods claimed, enter the total number of employees with threshold jobs on the last day of the initial qualifying period. For each initial qualifying period claimed, the number of threshold jobs on the last day of the qualifying period must be at least one more than the number of threshold jobs on the day prior to the day the job was created.

Column N: For consecutive qualifying periods claimed, enter the total number of employees with threshold wages on the last day of the initial qualifying period.

Column O: For consecutive qualifying periods claimed, enter the total number of employees with threshold jobs on the last day of the claimed qualifying period. For each consecutive qualifying period claimed, the number of threshold jobs on the last day of the claimed qualifying period must be greater than or equal to the number of threshold jobs on the last day of the initial qualifying period.

Column P: Enter **yes** if the employee was paid \$60,000 or more in taxable wages, and the position was located in one of the areas described in the next section, **Areas For Columns P and Q**, during the qualifying period. Otherwise, enter **no**.

Column Q: Enter **yes** if the employee was paid \$40,000 or more in taxable wages, and the position was located in an area in New Mexico other than one of the areas described in

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the next section, **Areas For Columns P and Q**, during the qualifying period. Otherwise, enter **no**.

Areas For Columns P and Q

Municipalities with a population of 60,000 or more according to the most recent federal decennial census or a class H county:

- in or within 10 miles of the external boundary of Albuquerque, Las Cruces, Rio Rancho, or the city of Santa Fe, or
- in the county of Los Alamos

Column R: Enter the gross wages paid during the qualifying period. Do not include benefits paid by the employer or the employer's share of payroll taxes.

Column S: Multiply column R by 8.5% and enter the amount.

Column T: Enter the lesser of column S or \$12,750. This is the amount of high-wage job tax credit claimed for this position during the qualifying period. If more than one qualified employee occupied this job during this period, adjust the amount so that the total credit claimed for all qualified employees during this period does not exceed \$12,750. (Enter this amount of column T on Line 3 of RPD-41288, *Application for High-Wage Jobs Tax Credit*.)

IMPORTANT: Submit all required documentation along with RPD-41288, *Application for High-Wage Jobs Tax Credit*. The Department may require additional documentation to verify eligibility.