RPD-41320
Rev. 03/22/2024

New Mexico Taxation and Revenue Department

ANGEL INVESTMENT CREDIT CLAIM FORM

WHO MUST FILE THIS FORM: For tax years beginning on or after January 1, 2007, a taxpayer who files a New Mexico personal income tax return, who is not a dependent of another individual, is an accredited investor and makes a qualified investment may claim a credit for 25% of the qualifying investment in a high-technology or manufacturing business. For tax years beginning on or after January 1, 2015, the credit allowed for each qualified investment shall not exceed $62,500. Accredited investors may claim the angel investment credit for not more than one qualified investment per investment round. See the definitions in the instructions. A taxpayer may claim the angel investment credit for qualified investments in no more than five qualified businesses per tax year. Any unused angel investment credits may be carried forward for five consecutive years. NOTE: For credits issued 2014 and prior, you can carry forward unused credits for three consecutive years. A claim for the credit may not be made or allowed with respect to any investment made before January 1, 2007, or after December 31, 2030.

To qualify, a taxpayer must apply for a certificate of eligibility for the angel investment credit using Form TRD-41404, *Angel Investment Credit Application for Qualified Businesses.* Completed applications will be considered in the order received. If the Taxation and Revenue Department (the Department) determines that the taxpayer is an accredited investor and the investment is a qualified investment, a dated certificate of eligibility will be issued to the taxpayer. To claim the credit, submit a completed Form RPD-41320, *Angel Investment Credit Claim Form,* and a copy of the certificate of eligibility to the Department. **Important:** You must submit the claim form to the Department no later than one year following the end of the calendar year in which the qualified investment was made. When claiming the credit against personal or fiduciary income taxes, attach Form RPD-41320, *Angel Investment Credit Claim Form,* to the New Mexico income tax return for the year in which the angel investment credit is taken.

For assistance completing this form or claiming the credit against personal or fiduciary income tax, call the Department at (505) 827-0792 or send an email businesscredit.mgr@tax.nm.gov.

Name of Taxpayer		SSN, ITIN or 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 ____________
2. **Enter the net New Mexico income tax calculated before applying any credit.** 2. $
3. Enter the portion of total credit available (from Schedule A) claimed on your current New Mexico personal or fiduciary income tax return. Do not enter more than the amount of Net New Mexico personal or fiduciary income tax due. In a tax year the credit used may not exceed the amount of personal or fiduciary income tax otherwise due. Also attach a completed Schedule CR for the applicable tax return. 3. $

Submit this form with your New Mexico income tax return to apply angel investment credit against tax due. Mail this form to the address on the personal or fiduciary income tax return.

Under penalty of perjury, I declare I have examined this claim, including accompanying returns, schedules and/or statements, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of Taxpayer or Agent ____________ Title ____________ Date ____________

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Schedule A

Once a credit application is approved by the Department, complete and attach Form RPD-41320, *Angel investment Credit Claim Form,* including Schedule A, to your New Mexico income tax return along with the applicable tax credit Schedule PIT-CR or FID-CR. A copy of the Certificate of Eligibility from the Department certifying the project must also be attached.

(a) Certificate number	(b) Year of approval	(c) Amount of credit approved	(d) Total credit claimed in previous tax years	(e) Unused credit [(c) - (d)]	(f) Amount applied to the attached return

TOTAL credit available
Enter the sum of column (f) here and on line 3 of Form RPD-41320, page 1.

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Instructions

Important: Beginning January 1, 2015, the New Mexico Economic Development Department may not issue a certificate of eligibility for an angel investment credit once the total amount of credit exceeds $2,000,000* in the calendar year. Credits that were not certified in a calendar year because of this limit may be certified in subsequent calendar years. Completed applications for credit will be reviewed, and if approved, issued in the order the applications were received.

*Prior to January 1, 2015, the total amount of credits issued in a calendar year could not exceed $750,000.

Applying credit against personal income tax liabilities.
The angel investment credit may only be deducted from the taxpayer's personal income tax liability. Any portion of the tax credit that remains unused at the end of the taxpayer's tax year may be carried forward for five consecutive years. A claim for the credit may not be made or allowed with respect to any investment made before January 1, 2007, or after December 31, 2030.

Married individuals who file separate returns for a taxable year in which they could have filed a joint return may each claim one-half of the credit that would have been allowed on a joint return.

A taxpayer who otherwise qualifies for and claims a credit for a qualified investment made by a partnership or other business association of which the taxpayer is a member may claim a credit only in proportion to the taxpayer's interest in the partnership or business association.

Important Definitions
Accredited investor means a person who is an accredited investor within the meaning of Rule 501 issued by the federal Securities and Exchange Commission pursuant to the federal Securities Act of 1933, as amended.

Qualified investment means a cash investment in a qualified business for equity, but does not include an investment by a taxpayer if the taxpayer, a member of the taxpayer's immediate family or an entity affiliated with the taxpayer receives compensation from the qualified business in exchange for services provided to the qualified business within one year of investment in the qualified business.

Business means a corporation, general partnership, limited partnership, limited liability company or other similar entity, but excludes an entity that is a government or a non-profit organization designated as such by the federal government or any state.

Qualified business means a business that:

(a) maintains its principal place of business and employes a majority of its full-time employees, if any, in New Mexico and a majority of its tangible assets, if any are located in New Mexico;

(b) engages in high-technology research or manufacturing activities in New Mexico;

(c) is not primarily engaged in or is not primarily organized as any of the following types of businesses: credit or finance services -- including banks, savings and loan associations, credit unions, small local companies or title loan companies; financial brokering or investment; professional services -- including accounting, legal services, engineering and any other services the practice of which requires a license; insurance; real estate; construction or construction contracting; consulting or brokering; mining; wholesale or retail trade; providing utility service -- including water, sewerage, electricity, natural gas, propane or butane; publishing -- including publishing newspapers or other periodicals; broadcasting; or providing internet operating services;

(d) has not issued securities registered pursuant to Section 6 of the federal Securities Act of 1933, as amended; has not issued securities traded on a national securities exchange; is not subject to reporting requirements of the federal Securities Exchange Act of 1934, as amended; and is not registered pursuant to the federal Investment Company Act of 1940, as amended, at the time of the investment;

(e) has 100 or fewer employees calculated on a full-time-equivalent basis in the tax year in which the investment was made; and

(f) has not had gross revenues in excess of $5,000,000 in any fiscal year ending on or before the date of the investment.

Manufacturing means combining or processing components or materials to increase their value for sale in the ordinary course of business, but does not include: (a) construction; (b) farming; (c) processing natural resources, including hydrocarbons; or (d) preparing means for immediate consumption, on- or off-premises.

Investment round means an offer and sale of securities and all other offers and sales of securities that would be integrated with such offer and sale of securities under Regulation D issued by the federal securities and exchange commission pursuant to the federal Securities Act of 1933, as amended.

Qualified research means "qualified research" as defined by Section 41 of the Internal Revenue Code.

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Instructions

Schedule A Instructions

For each angel investment credit approved by the New Mexico Taxation and Revenue Department complete a row in Schedule A. Do not include credits approved in a tax year that is more than six years prior to the tax year for which this credit is approved. Unused angel investment credits may not be carried forward for more than five consecutive tax years following the tax year for which the credit was approved. Do not include credits which have been claimed in full in prior tax years.

Only the person to whom the certificate of eligibility is issued may claim the credit.

Column Instructions

(a) Certificate number. Enter the certificate number shown on the certificate of eligibility for the angel investment credit issued to you by the Department.

(b) Year of approval. Enter the tax year for which the angel investment credit has been approved as indicated on the certificate of eligibility.

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

(d) Total credit claimed in previous tax years. For each credit amount listed, 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) Amount 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 angel investment credits in the order that they have been approved. If you have both a carry-forward credit and new credit derived from a qualified investment 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 income tax claimed on the New Mexico income tax return. That amount is the net New Mexico income tax calculated before applying any tax credits claimed.