

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

WHO MUST FILE:

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 and important definitions.

For the status of an application or questions on this form, email TRD-BusinessCredit@state.nm.us or call (505) 795-1735. RPD-41238 and required attachments can be submitted online using the taxpayer access point (TAP) at <https://tap.state.nm.us> or email TRD-BusinessCredit@state.nm.us.

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 APPLIED FOR

Enter the information requested under the Tier One or Tier Two Area based on the location of the jobs claimed.	Tier One Area	Tier Two Area
9. Number of eligible jobs claimed on the RPD-41247, <i>Rural Jobs Tax Credit Employee Eligibility Detail</i> (cells K10 & L10).	9a.	9b.
10. Total amount of eligible wages claimed during qualifying periods on the RPD 41247, <i>Rural Job Tax Credit Employee Eligibility Detail</i> (Cell O10 & P10)	10a. \$	10b. \$
11. Total amount of Rural Job Tax Credit claimed on RPD-41247, <i>Rural Job Tax Credit Employee Eligibility Detail</i> (Cells Q10 & R10)	11a. \$	11b. \$
12. Total Amount of Rural Job Tax Credit Claimed. (Add 11a. plus 11b.)	12a. \$	

SECTION 3: QUALIFYING INFORMATION

13. Claimed qualifying period(s) ending in the calendar year: January 1 through December 31, 20____		
14. Credit Certification (Section 7-2E-1.1(A) through 7-2E-1.1(M) NMSA 1978)	Yes	No
a. Was the taxpayer an eligible employer during the periods claimed?		
b. Do all claimed employees meet the definition of eligible employee?		
c. Did the eligible employer cease any of its business operations in New Mexico during the time frame claimed on the application?		
d. Was the eligible employer involved in a merger or acquisition any time between the dates the jobs were created or the qualifying periods claimed?		
e. Does the employer's location claimed meet the definition of rural area?		
f. Is the employer's location in a Tier 1 area?		
g. Is the employer's location in a Tier 2 area?		

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h. Was a professional employer organization (PEO) used for processing employee wages?		
i. Do all jobs claimed meet the definition of new job?		
j. I certify that the jobs claimed in this application meet the requirements of the Rural Job Tax Credit.		
k. I declare I have examined this application and all supporting documentation, and to the best of my knowledge and belief this application is true, correct and complete.		
SECTION 4: REQUIRED ATTACHMENTS CHECKLIST		
15. Please place a checkmark next to all required attachments that are being submitted with the application. ☐ A completed RPD-41274, Rural Job Tax Credit Employee Eligibility Detail Report (amount claimed on application should match the amount claimed on the RPD-41376) ☐ An e-mail from the Economic Development Department (EDD) indicating that the taxpayer was eligible for the Job Training Incentive Program (JTIP) during all qualifying periods claimed. ☐ ACD-31102, Tax Information Authorization Tax Disclosure, 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 5: 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 receive Federal and State confidential information on behalf of the taxpayer.		
Under penalty of perjury, I declare that I have examined this application, and to the best of my knowledge and belief it is true, correct, and complete.		
16. Printed Name	17. Title	
18. Signature	19. Date	

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PURPOSE

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.

HOW TO APPLY

To receive a rural job tax credit, a taxpayer shall file an application for approval of the credit with the Taxation and Revenue Department (Department) on forms and in the manner prescribed by the Department.

Form RPD-41247 and RPD-41238 can be downloaded from the Department website: <https://www.tax.newmexico.gov/forms-publications/> open the "Tax Credits (TC)" folder and then open the "Rural Job" Folder.

An eligible employer may apply to the 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.

Any qualifying period that did not close in the calendar year for which the application is made shall be denied by the Department.

A taxpayer must apply for approval of the credit no later than December 31 of the following calendar year claimed on the application. If the taxpayer fails to file the annual application within the time limits provided, the application shall be denied by the Department.

FORM SUBMISSION

Submit the completed Form RPD-41238, *Application for Rural Job Tax Credit*; RPD-41247, *Rural Job Tax Credit Employee Eligibility Detail Report*, and all other required documents listed

in "SECTION 4: REQUIRED ATTACHMENT CHECKLIST" using the Taxpayer Access Point (TAP), <https://tap.state.nm.us>, e-mail, or mail. NOTE: You must have an account to apply for the credit using TAP.

Email: TRD-BusinessCredit@state.nm.us or,

Mail: Taxation and Revenue Department
Attn: ACD Business Credit
P.O. Box 50129
Albuquerque, New Mexico 87181-0129

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 e-mail TRD-BusinessCredit@state.nm.us or by phone (505) 795-1735. If approved, the applicant will be issued a document granting the tax credit.

APPLICATION LINE INSTRUCTIONS

SECTION 1: IDENTIFYING INFORMATION

1. Enter taxpayer's name. If taxpayer is an individual, enter first name, middle initial, and last name.
2. Enter taxpayer's Federal Employer Identification Number (FEIN), Social Security Number (SSN), or Individual Taxpayer Identification Number (ITIN)
3. Enter taxpayer's New Mexico Business Tax Identification Number (NMBTIN).
4. Enter taxpayer's mailing address including city, state and zip code.
5. Enter taxpayer's main 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 e-mail address.

SECTION 2: CALCULATION OF CREDIT APPLIED FOR

9. Enter the total number of jobs claimed in the Tier Area claimed. If claiming jobs in more than one Tier Area location, enter the number of jobs in each Tier Area. **Note:** The total number of jobs claimed on the application should tie to the number of jobs claimed on the RPD-41247, Row 10, Columns K and L.
10. Enter the total amount of eligible wages claimed in the Tier Area claimed. **Note:** The total amount of wages claimed on the application should tie to the amount claimed on the RPD-41247, Row 10, Columns O and P. If claiming jobs in more than one Tier Area location, enter the total amount of wages for each Tier Area. Eligible wages cannot exceed \$16,000.
11. Enter the total amount of Rural Job Tax Credit claimed in the Tier Area claimed. **Note:** The total amount of Rural Job Tax Credit claimed on the application should tie to the

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amount claimed on the RPD-41247, Row 10, Columns Q and R. If claiming jobs in more than one Tier Area location, enter the total amount of wages for each Tier Area.

12. Enter the total amount of Rural Job Tax Credit claimed. If claiming more than one Tier Area location, add cells 11a. and 11b. and enter the total amount in cell 12a

SECTION 3: QUALIFYING INFORMATION

13. Enter the calendar year claimed for the credit. **Note:** all qualifying periods must end in the year claimed. Use the date format MM/DD/CCYY.
14. Credit Certification (Section 7-2E-1.1(A) through 7-2E-1.1(M) NMSA 1978) Answer questions listed or check the yes or no in the column next to each question or statement.

SECTION 4: REQUIRED ATTACHMENTS CHECKLIST

15. Place a check mark next to all required attachments that are being submitted. Additional documentation may be requested if needed.

RPD-41238	RPD-41238, <i>Application for Rural Job Tax Credit</i> . If the application is not 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 receive Federal and State confidential information on behalf of the taxpayer the credit application will not be accepted as a valid application and will be deemed incomplete.
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
Tax Information Authorization Tax Disclosure (TIA)	If the contact person for the credit is not the taxpayer or officer of the taxpayer, submit Form ACD-31102, Tax Information Authorization Tax Disclosure , allowing the Department to discuss this credit application with the contact person.
Important: Additional documentation may be requested.	

SECTION 5: SIGNATURE

If the application is not 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 receive Federal and State confidential information on behalf of the taxpayer the credit application will not be accepted as a valid application and will be deemed incomplete.

16. Enter the printed name of the individual signing the application.
17. Enter the title the individual signing the application.
18. Sign in pen or use an electronic signature.
19. Enter the date application is signed. Use the date format MM/DD/CCYY.

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.

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.

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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

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, acquisition 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.