2025 New Mexico
Instructions for Form S-Corp-CR
NEW MEXICO TAX CREDIT SCHEDULE

Contents

Using Schedule S-Corp-CR

Use Schedule S-Corp-CR to claim business-related tax credits you may take against New Mexico corporate income tax reported on the 2025 *S-Corp New Mexico Sub-Chapter S Corporate Income and Franchise Tax Return*. On S-Corp-CR you may also claim any portion of refundable tax credits approved by the Department.

Claiming Credits

Follow these general steps to claim non-refundable credits to apply to the tax liability and any refundable credits:

1. Complete S-Corp-CR with up to 5 credits.
2. If you are claiming more than 5 credits, complete S-Corp-CR Supplemental for the 6th and any additional credits, and then attach S-Corp-CR Supplemental to the S-Corp-CR form.
3. Transfer the total in S-Corp-CR, line A, to S-Corp, line 5.
4. Transfer the total in S-Corp-CR line B, to S-Corp, line 22.
5. Attach the appropriate backup documentation to support the credit(s) taken and then attach S-Corp-CR to the S-Corp return.

Most credits require additional documents specific to the credit. For a full list of required documents for a credit, see the instructions for the credit.

How Much Can You Claim?

To calculate the amount you can claim for a credit, refer to the claim form or to the instructions for the credit. The sum of tax credits you apply to the tax due on the return may not exceed the income tax on S-Corp, line 4.

Tax Credit Information and Forms

These S-Corp-CR instructions give information about each tax credit. For a complete description of the credits, see Publication FYI-106, *Claiming Business-Related Tax Credits for Individuals and Businesses*.

For tax credit forms, instructions, and the FYI-106, go to the Forms & Publications page https://www.tax.newmexico.gov/forms-publications/.

To find tax credit forms and instructions, do the following:

1. Click the Income Taxes folder.
2. Click Income Taxes (Current Tax Year Forms).
3. Click Subchapter S Corporate Income & Franchise Tax (S-Corp).
4. Then click Tax Credits (TC).

To find FYI-106, do the following:

1. Click the **Publications** folder.
2. Click **FYIs**.
3. Then click **FYI-106 - *Claiming Business-Related Tax Credits for Individuals and Businesses*.**

Completing S-Corp-CR

Lines 1 through 5

For each credit you claim, complete one line. In the four columns for each line, described next in this section, enter all the following:

- Credit type code
- If applicable, credit approval number
- Amount to apply to the tax due on the return
- Any amount of the credit to refund to you

Column A, Credit Type Code

This is the code with three alphanumeric characters in front of each credit listed on Schedule S-Corp-CR. An entry in this field is required.

Column B, Credit Approval Number

An approval number is not available for all credits. And for some credits, an approval number is not required. The instructions specify the number to use for each credit or instruct you to leave the column blank.

IMPORTANT: If you are claiming multiple credits for the same credit type, list each credit separately as illustrated in the next example.

Example

Taxpayer X received investment vouchers 123456-1 and 123456-2 for two separate affordable housing tax credits. X's return shows a liability of $80 before applying any tax credits. X wants to use the remaining $50 from the available carryforward on voucher 123456-1, and $30 from voucher 123456-2.

On line 1, X does the following in each column:

- **Column A.** Enters **A01**.
- **Column B.** Enters **123456-1**.
- **Column C.** Enters **$50**.
- **Column D.** Leaves blank. The affordable housing tax credit is not refundable.

On line 2, X does the following in each column:

- **Column A.** Enters **A01**.
- **Column B.** Enters **123456-2.**
- **Column C.** Enters **$30**.
- **Column D.** Leaves blank. The affordable housing tax credit is not refundable.

Column C, Amount of Credit Applied to Tax Due

On line A, enter the sum of all column C amounts on S-Corp-CR and, if you used any, on all CR Supplemental pages.

Column D, Amount of Credit to Refund

On line B, enter the sum of all column D amounts on S-Corp-CR and, if you used any, on all CR Supplemental pages. Tax Credit Types

Affordable housing tax credit (A01)

Beginning January 1, 2006, the Mortgage Finance Authority (MFA) determines eligibility, approves affordable housing projects for MFA or for a trust fund administered by MFA, and issues an investment voucher to a taxpayer who made an investment of land, buildings, materials, cash, or services for an affordable housing project.

Definition

Affordable housing covers land acquisition, construction, building acquisition, remodeling, improvement, rehabilitation, conversion, or weatherization for single-family or multi-family residential housing approved by MFA.

Investment Vouchers

The vouchers are good for up to 50% of the investment. After receiving a voucher from MFA, the taxpayer may apply the credit against gross receipts, compensating, withholding, or personal, fiduciary, or corporate income tax liabilities.

If you notify MFA about a sale or transfer and MFA reissues a voucher to the transferee, you may sell or transfer the voucher.

Carry Forward for Five Years

This credit is not refundable, but you can carry unused credits forward for five years.

Claiming This Credit

To claim this credit, follow these steps:

4. Complete RPD-41301, *Affordable Housing Tax Credit Claim Form*.
5. Complete S-Corp-CR, including these columns:
    - **Column A.** Enter **A01**.
    - **Column B.** Enter the credit number assigned by MFA on the investment voucher. If the voucher was transferred to you, enter the new voucher number assigned by MFA.
    - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
6. Attach the following to the S-Corp return:
    - RPD-41301
    - S-Corp-CR
    - Copies of the vouchers received from MFA
7. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more about MFA, visit https://www.housingnm.org or call (505) 843-6880 or toll free (800) 444-6880.

Advanced energy tax credit (A04) Repealed effective July 1, 2023

A taxpayer who holds an interest in a qualified electric generating facility located in New Mexico may be eligible to apply for and claim the advanced energy tax credit.

Credit Limitations

The amount of the credit is 6% of the eligible generation plant costs. The aggregate amount of tax credit that may be claimed with respect to a qualified generating facility is limited to $60,000,000.

Carry Forward for 10 Years

This credit is not refundable, but if the credit amount exceeds the tax liability, you can carry forward the unused credit for up to 10 years.

Allocating the Right to Claim This Credit

You may allocate the right to claim this credit to other taxpayers who are interest owners in the qualified electric generating facility.

To allocate the credit to interest owners

- Complete the *Notice of Allocation of Right to Claim Advanced Energy Tax Credits*. This notice is the third page of RPD-41333, *Advanced Energy Tax Credit Application*.

Applying for This Credit

After you receive the certificate of eligibility from the New Mexico Environment Department (NMENV), follow these steps:

1. Complete RPD-41333, *Advanced Energy Tax Credit Application.*
2. Attach the certificate of eligibility that NMENV issued.
3. Within one year following the end of the calendar year in which the eligible generation plant costs were incurred, submit the following:
    - RPD-41333
    - If you are allocating the credit to interest owners, the notice on the third page of RPD-41333.
    - All other attachments
4. Submit the S-Corp return and all attachments to the Department.

Claiming This Credit

After you receive approval, you can claim the credit by following these steps:

1. Complete RPD-41334, *Advanced Energy Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
    - **Column A.** Enter **A04**.
    - **Column B.** Enter the number the Taxation and Revenue Department issued. The number is identified on the credit approval letter. If the letter does not show a credit approval number, leave this box blank.
    - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
    - RPD-41334
    - S-Corp-CR

- Approval letter from NMENV

4. Submit the S-Corp return and all attachments to the Department.

For More Information
To learn more, visit https://www.env.nm.gov or call (505) 827-2855 or toll free (800) 219-6157.

Agricultural biomass income tax credit (A05)

A credit is available for a taxpayer who owns a dairy or feedlot and who files a personal, fiduciary, or corporate income tax return for a taxable year beginning on or after January 1, 2011, and ending before January 1, 2030.

Credit Amount
The Department may allow a credit equal to $5 per wet ton of agricultural biomass transported from the taxpayer's dairy or feedlot to a facility that uses agricultural biomass to generate electricity or makes biocrude or other liquid or gaseous fuel for commercial use.

Carry Forward for Four Years
Excess credit is not refundable, but you can carry it forward for a maximum of four consecutive tax years following the year the Department approved the credit.

Applying for This Credit
You must first obtain a certificate of eligibility from New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to qualify for this credit. When EMNRD issues you a certificate of eligibility, obtain approval from the Department by submitting to the Department a completed RPD-41362, *Agricultural Biomass Tax Credit Approval*, and the certificate of eligibility. The Department approves the credit and returns the approved form to the owner or holder.

Claiming This Credit
After you receive approval, you can claim the credit by following these steps:

1. Complete RPD-41361, *Agricultural Biomass Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
    - **Column A.** Enter **A05**.
    - **Column B.** Enter the credit number the Department assigned on RPD-41362, A*gricultural Biomass Tax Credit Approval*. If the tax credit was transferred to you, enter the new credit number on RPD-41363, *Notice of Transfer of Agricultural Biomass Tax Credit*.
    - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
    - RPD-41361
    - S-Corp-CR
    - Copy of certificate of eligibility that EMNRD issued
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit https://www.emnrd.nm.gov/ecmd/ or call (505) 476-3200.

Advanced energy equipment tax credit. (A07)

A taxpayer who makes qualified expenditures for a qualified manufacturing facility located in New Mexico and who files an individual New Mexico income tax return or corporate income tax return for a taxable year beginning on or after January 1, 2025, and prior to January 1, 2033, may claim the tax credit.

Carry Forward for 5 Years
This credit is not refundable, but you can carry forward unused credit for a maximum of 5 consecutive years.

Applying For This Credit
Before incurring a qualified expenditure, a taxpayer must apply for preliminary certification of eligibility for the tax credit from the Energy, Minerals, and Natural Resources Department (EMNRD) in consultation with the Economic Development Department (EDD).

Within twelve months of commencing production of any advanced energy equipment product, the taxpayer must seek final certification from EMNRD before claiming the credit.

To apply for the credit, contact EMNRD at (505) 476-3310 or visit their website: http://www.emnrd.state.nm.us.

For consultation with EDD regarding qualifying potential expenditures for producing advanced energy products, visit: https://edd.newmexico.gov.

Claiming This Credit
The taxpayer must attach to the return a completed TRD-41428 and a copy of the letter from EMNRD certifying the purchase and approving the taxpayer for the credit.

1. Complete Form TRD-41429, *Advanced Energy Equipment Tax Credit Claim Form.*
2. Complete S-Corp-CR. In the Credit Approval Number box, enter the certificate number EMNRD issued to you.
3. Attach the following to the S-Corp return:
    - TRD-41429
    - S-Corp-CR
    - Copy of certificate of eligibility from EMNRD
4. Submit the S-Corp return and all attachments to the Department.

Allocation to owners
A pass-through entity (PTE) may not claim the advanced energy equipment tax credit. The credit may be allocated to the owners of a PTE by submitting a completed TRD-41429 including its Schedule B, Business Entity Only - Disclosure of Ownership Interest.

Transfer
When a holder or owner sells, exchanges, or otherwise transfers an advanced energy equipment tax credit, TRD-41430, *Notice of Transfer of Advanced Energy Equipment Tax Credit,* must be mailed within 10 days to notify the Department of the sale, exchange, or otherwise transfer. The Department will issue 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 increments of one million dollars ($1,000,000) or in full. If the credit has been partially claimed, it can no longer be transferred.

Recapture
When EMNRD issues a certificate of eligibility, and a taxpayer subsequently ceases operations permanently or ceases to produce advanced energy products for at least 180 days within a two-year period after the taxpayer has claimed the credit, any amount of credit that is not claimed against a taxpayer's liability shall be extinguished. The taxpayer within 30 days after the one hundred eightieth day of cessation of operations shall reimburse to the Department the tax liability against which certified tax credit was previously claimed.

Corporate child care tax credit (C02) Repealed July 1, 2025
Corporations providing or paying for licensed childcare services for employees' children under 12 years of age may deduct 30% of eligible expenses from their corporate income tax liability for the tax year in which the expenses occur, not to exceed $30,000.

Carry Forward for Three Years
An amount exceeding the tax liability is not refundable, but you can claim a carryforward of the credit for three consecutive years.

Claiming This Credit
To claim this credit, follow these steps:

1. Complete CIT-3, *Corporate Child Care Credit*.
2. Complete S-Corp-CR, including these columns:
   - **Column A.** Enter **C02**.
   - **Column B.** Enter the last day of the tax year when the credit was first eligible to claim.
   - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
   - CIT-3
   - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

Clean car tax credit (C03)
The clean car tax credit may be claimed by a taxpayer who files a New Mexico Personal Income Tax, Fiduciary Income Tax, Corporate Income Tax, or Sub-Chapter S Corporate Income and Franchise Tax return for a tax year beginning on or after January 1, 2024, and has purchased, or entered into a new lease for a minimum of three years for, a qualified electric vehicle, plug-in hybrid electric vehicle, or fuel cell vehicle on or after May 15, 2024, but before January 1, 2030.

Applying For This Credit
The taxpayer must apply for certification of eligibility with the Energy, Minerals and Natural Resources Department (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 https://www.emnrd.nm.gov. Applications for certification of the tax credit shall be made no later than one year from the date on which the vehicle is purchased or the lease is entered into.

Credits Sold, Exchanged, or Transferred
When a holder or owner sells, exchanges, or transfers a clean car tax credit, Form TRD-41420, *Notice of Transfer of Clean Car Tax Credit*, must be used to notify the Department. The Department 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.

Claiming This Credit
After you receive the certificate of eligibility, you can claim the credit against income tax due by following these steps:

1. Complete Form TRD-41419, *Clean Car Tax Credit Claim Form*.
2. Complete S-Corp-CR. In the Credit Approval Number box, enter the certificate number EMNRD issued to you.
3. Attach the following to your S-Corp:
   - TRD-41419
   - S-Corp-CR
   - Copy of certificate of eligibility from EMNRD
4. Submit your S-Corp and all attachments.

Any credit claimed that is over the taxpayer's liability shall be refunded. The credit can be sold, exchanged, or transferred to another taxpayer for the full value of the credit. The credit shall be claimed within three taxable years of the end of the year in which EMNRD certifies the credit.

Allocation to Owners
A taxpayer may allocate the right to claim the tax credit in proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and that business entity has met all of the requirements to be eligible for the credit. The total credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit.

Clean car charging unit tax credit (C04)
The clean car charging unit tax credit may be claimed by a taxpayer who files a New Mexico Personal Income Tax, Fiduciary Income Tax, Corporate Income Tax, or S-Corp Income Tax return for a tax year beginning on or after January

1, 2024, and has purchased and installed an electric vehicle charging unit or fuel cell charging unit in New Mexico on or after May 15, 2024, but before January 1, 2030.

Applying For This Credit

The taxpayer must apply for a certificate of eligibility with the Energy, Minerals and Natural Resources Department (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 https://www.emnrd.nm.gov. A taxpayer that claims the 2021 Sustainable Building Tax Credit for expenses of purchasing or installing an electric vehicle charging unit or fuel cell charging unit cannot claim the clean car charging unit tax credit.

Claiming This Credit

After you receive the certificate of eligibility, you can claim the credit by following these steps:

1. Complete Form TRD-41421, *Clean Car Charging Unit Tax Credit Claim Form*.
2. Complete S-Corp-CR. In the Credit Approval Number box, enter the certificate of eligibility number issued by EMNRD.
3. Attach the following to your S-Corp return:
    - TRD-41421
    - S-Corp-CR
    - Copy of certificate of eligibility from EMNRD
4. Submit your S-Corp return and all attachments.

Any credit claimed that is over the taxpayer's liability shall be refunded. The credit shall be claimed within three taxable years of the end of the year in which EMNRD certifies the credit.

Allocation to Owners

A taxpayer may allocate the right to claim the tax credit in proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and that business entity has met all of the requirements to be eligible for the credit. The total credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit.

Film production tax credit (F01) Repealed July, 1 2025

For film companies that commence principal photography prior to January 1, 2016, a credit is available in an amount equal to 25% of direct production and direct postproduction expenditures made in New Mexico that are subject to taxation and directly attributable to the production of a film or commercial audiovisual product. An additional 5% credit is allowed for certain direct production expenditures made for qualifying productions.

Excluded from the credit are costs for which the film production company has already executed a nontaxable transaction certificate under Section 7-9-86 NMSA 1978.

Claiming This Credit

Claim the credit by following these steps:

1. Complete RPD-41228, *Film Production Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
    - **Column A.** Enter **F01**.
    - **Column B.** Enter the credit approval number that the Department issued. The number is identified on the credit approval letter. If the letter does not show a credit approval number, leave this box blank.
    - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
    - **Column D.** If you are eligible for a refund, enter the amount to refund.
3. Attach the following to the S-Corp return:
    - RPD-41228
    - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

NOTE: The amount of film production tax credit you may claim against the tax due on this return and the amount you may receive as a refund (based on the claim for the film production tax credit) are subject to certain limitations governing the payment of film production tax credit claims. For details about these limitations and how the claim may be impacted, see the instructions for RPD-41228, *Film Production Tax Credit Claim Form*.

For More Information

To learn more about the film credit, visit https://www.nmfilm.com or call (505) 476-5600.

Foster youth employment corporate income tax credit (F02) Repealed July 1, 2025

For tax years beginning on or after January 1, 2018, a taxpayer who employs a qualified foster youth for at least 20 hours per week in New Mexico is eligible for a credit against the taxpayer's personal or corporate income tax liability for up to $1,000 for wages paid to each qualified foster youth. If the foster youth's qualified period of employment is less than a full year, the credit for that year is reduced based on the ratio of the qualified period of employment over the full tax year of the employer.

Requirements

The following are the requirements for this credit:

- An employer may not receive the credit for any individual qualified foster youth for more than one calendar year from the date of hire.
- Only one employer may receive the credit for a qualified foster youth during a tax year.
- The qualified foster youth was aged fourteen or older within seven years prior to the taxable year for which the tax credit is claimed and was in the legal custody of either the Children, Youth and Families Department (CYFD) pursuant to the Children's Code or in the legal custody of a New Mexico Indian Nation, Tribe or

Pueblo, or the United States (US) Department of the Interior Bureau of Indian Affairs (BIA) Division of Human Services.

- The foster youth employment tax credit is only allowed for the employment of a foster youth who was not previously employed by the taxpayer prior to the taxable year for which the credit is claimed.

Carry Forward for Three Years

Excess credit is not refundable, but you may carry it forward for up to three years. This credit cannot be transferred to another taxpayer, but it can be allocated based on a taxpayer's ownership interest in a business.

Before Applying for This Credit

The qualified youth will have to contact the Children, Youth, and Families Department's (CYFD) Family and Youth Services Bureau at (505) 827-8400 or the other agency which had legal custody of the qualified youth. That government agency, department, or bureau will have to send a letter or certificate to the qualified youth that includes their name, date of birth, and the date custody began.

Claiming This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete RPD-41390, F*oster Youth Employment Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
   - **Column A.** Enter **F02**.
   - **Column B.** Enter the credit approval number shown on the approved RPD-41389, *Foster Youth Employment Tax Credit Application*.
   - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp-1:
   - RPD-41390
   - S-Corp-CR
4. Submit the S-Corp-1 and all attachments to the Department.

New film production tax credit (F03)

For film companies that commence principal photography on or after July 1, 2019, a credit is available in an amount equal to 25% of direct production and direct postproduction expenditures made in New Mexico that are subject to taxation and directly attributable to the production of a film or commercial audiovisual product. An additional 5% credit is allowed for certain direct production expenditures made for qualifying productions or for standalone pilots intended for series television. In addition, a 10% credit may also be allowed for production expenditures in areas at least 60 miles from the City Hall of the county seat for Bernalillo or Santa Fe counties.

Excluded from the credit are costs for which the film production company has already executed a nontaxable transaction certificate under Section 7-9-86 NMSA 1978.

NOTE: If you are a New Mexico film partner,refer to F04 New Mexico Film Partner New Film production tax credit to claim your credit.

How To Apply For This Credit

To obtain approval for the credit, first apply to the New Mexico Film Office, a division of the EDD. After the film production company receives approval from EDD, the company must apply to the Department to get Department approval of the credit. See Form RPD-41391, *Application for New Film Production Tax Credit.*

When you are approved, you may claim the credit by filing your personal or corporate income tax return.

How To Claim This Credit

You can claim the credit by following these steps:

1. Complete Form RPD-41228, *Film-Related Tax Credit Claim Form*.
2. Complete S-Corp-CR. In the **Credit Approval Number** box, enter the credit approval number that the Department issued. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
3. Attach the following to your S-Corp return:
   - RPD-41228
   - S-Corp-CR
4. Submit your S-Corp Return and all attachments

New Mexico film partner new film production tax credit (F04)

This credit applies to film production companies that are defined as New Mexico film partners that have made a commitment to produce films or commercial audiovisual products in New Mexico and have purchased or executed a 10 year contract to lease a qualified production facility. Limitations to certification of a claim in excess of the aggregate amount of claims provided by the Film Production Tax Credit Act does not apply to the certification of a budget for a New Mexico film partner

New Mexico film partners that commence principal photography on or after July 1, 2019, a credit is available in an amount equal to 25% of direct production and direct postproduction expenditures made in New Mexico that are subject to taxation and directly attributable to the production of a film or commercial audiovisual product. An additional 5% credit is allowed for certain direct production expenditures made for qualifying productions or for standalone pilots intended for series television. In addition, a 10% credit may also be allowed for production expenditures in areas at least 60 miles from the City Hall of the county seat for Bernalillo or Santa Fe counties.

Excluded from the credit are costs for which the film production company has already executed a nontaxable transaction certificate under Section 7-9-86 NMSA 1978.

How To Apply For This Credit

To obtain approval for the credit, first apply to the New Mexico Film Office, a division of the EDD. After the film production company receives approval from EDD, the company must apply to the Department to get Department approval of the credit. See Form RPD-41391, *Application for New Film Production Tax Credit.*

When you are approved, you may claim the credit by filing your personal or corporate income tax return.

How To Claim This Credit

You can claim the credit by following these steps:

1. Complete Form RPD-41228, *Film-Related Tax Credit Claim Form*.
2. Complete S-Corp-CR. In the **Credit Approval Number** box, enter the credit approval number that the Department issued. The number is identified on your credit approval letter. If the letter does not show a credit approval number, leave this box blank.
3. Attach the following to your S-Corp Return:
   - RPD-41228
   - S-Corp-CR
4. Submit your S-Corp Return and all attachments

Geothermal ground-coupled heat pump tax credit (G01)

A credit is available for a taxpayer who purchased and installed a geothermal ground-coupled heat pump after January 1, 2010, but before December 31, 2020. To qualify for the tax credit, you must install the pump in a residence, business, or agricultural enterprise in New Mexico that you own or that a partnership or other business entity of which you are a member owns.

Credit Limitations

The credit, which may not exceed $9,000, is available for up to 30% of the purchase and installation costs.

Carry Forward for 10 Years

This credit is not refundable, but you can carry forward unused credit for a maximum of 10 consecutive years following the tax year for which the credit was approved.

Applying for This Credit

To qualify for this credit, you must first obtain a certificate of eligibility from EMNRD.

Claiming This Credit

After you receive the certificate of eligibility, you can claim the credit by following these steps:

1. Complete RPD-41346, *Geothermal Ground-Coupled Heat Pump Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
   - **Column A.** Enter **G01**.
   - **Column B.** Enter the certificate number EMNRD issued to you.
   - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
   - RPD-41346
   - S-Corp-CR
   - Copy of certificate of eligibility from EMNRD
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit https://www.emnrd.nm.gov/ecmd/ or call (505) 476-3200.

Intergovernmental business tax credit (G02)

A corporation engaged in growing, processing, or manufacturing may receive a credit for up to 50% of all taxes imposed by an Indian nation, tribe, or pueblo, located wholly or partly in New Mexico, on income from new business activity on Indian land.

Credit Exceptions and Limitations

A tax eligible for credit under Section 7-29C-1 NMSA 1978, or any other intergovernmental business tax credit that provides a similar credit, may not be counted for intergovernmental business tax credit. Examples of such taxes are the following:

- Oil and gas severance tax
- Oil and gas conservation tax
- Oil and gas emergency school tax
- Oil and gas ad valorem production tax on products severed from Indian tribal land
- Tax imposed on the privilege of severing products from tribal land

The law limits the credit to income from a new business established on tribal land after July 1, 1997.

A **new business** is a manufacturer or processor occupying a new business facility or a grower who begins operations in New Mexico after July 1, 1997.

Claiming This Credit

To claim this credit, follow these steps:

1. Complete a statement establishing entitlement to the credit with proof of payment of tax to an Indian nation, tribe, or pueblo on which the credit is based.
2. Complete S-Corp-CR, including these columns:
   - **Column A.** Enter **G02**.
   - **Column B.** Leave blank. A credit approval number is not required to claim this credit.
   - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
   - Entitlement statement
   - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

Geothermal ground-coupled heat pump corporate income tax credit (2024) (G04)

The geothermal ground-coupled heat pump corporate income tax credit may be claimed by a taxpayer who files a New Mexico corporate or S-corp income tax return for a tax year beginning on or after January 1, 2024, and has purchased and installed a geothermal ground-coupled heat pump after May 15, 2024, but before December 31, 2034, in a residence, business or agricultural enterprise in New Mexico owned by that taxpayer, or owned by a partnership or other business association of which the taxpayer is a member. The credit, which may not exceed $9,000, is available for up to 30% of the purchase and installation costs.

This Credit Is Refundable

The credit is applied to the taxpayer's tax liability in the tax year it is claimed. The remaining amount is refunded to the taxpayer.

Applying For This Credit

To qualify for this credit, you must first obtain a certificate of eligibility from EMNRD. The tax credit is allowed only for geothermal ground-coupled heat pumps that are installed by a nationally accredited ground source heat pump installer certified by EMNRD. EMNRD may allow a maximum annual aggregate of $4,000,000 in geothermal ground-coupled heat pump income tax credits. Applications for the credit are considered in the order received by EMNRD.

Claiming This Credit

The taxpayer must attach to the return a completed TRD-41427 and a copy of the letter from EMNRD certifying the geothermal ground-coupled heat pump and approving the taxpayer for the credit.

5. Complete Form TRD-41427, *Geothermal Ground-Coupled Heat Pump Corporate Income Tax Credit Claim Form (2024)*.
6. Complete S-Corp-CR. In the Credit Approval Number box, enter the certificate number EMNRD issued to you.
7. Attach the following to the S-Corp return:
    - TRD-41427
    - S-Corp-CR
    - Copy of certificate of eligibility from EMNRD
8. Submit the S-Corp return and all attachments to the Department.

Geothermal electricity generation tax credit (G05)

The geothermal electricity generation tax credit may be claimed by a taxpayer who holds an interest in a geothermal electricity generation facility in which electricity was generated in New Mexico on or after January 1, 2025, but before January 1, 2032.

The amount of a tax credit allowed shall be an amount equal to one and one-half cents ($0.015) per kilowatthour of electricity generated in New Mexico in a taxable year by the geothermal electricity generation facility in which the taxpayer holds an interest. The total annual aggregate amount of credits that may be certified for geothermal electricity generation income tax credits and geothermal electricity generation corporate income tax credits in any calendar year is five million dollars ($5,000,000). Completed applications shall be considered in the order received. Applications for certification received after this limitation has been met in a calendar year shall not be approved for that calendar year, but shall be considered for certification in the following calendar year.

Carry Forward for 3 Years

This credit is not refundable, but you can carry forward unused credit for a maximum of 3 consecutive years.

Applying For This Credit

The taxpayer must apply for a certification of eligibility with the Energy, Minerals and Natural Resources Department (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.

Claiming This Credit

The taxpayer must attach to the return a completed TRD-41428 and a copy of the letter from EMNRD certifying the purchase and approving the taxpayer for the credit.

1. Complete Form TRD-41428, *Geothermal Electricity Generation Tax Credit Claim Form*.
2. Complete S-Corp-CR. In the Credit Approval Number box, enter the certificate number EMNRD issued to you.
3. Attach the following to the S-Corp return:
    - TRD-41428
    - S-Corp-CR
    - Copy of certificate of eligibility from EMNRD
4. Submit the S-Corp return and all attachments to the Department.

Allocation to owners

A taxpayer may allocate the right to claim the tax credit in proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and that business entity has met all of the requirements to be eligible for the credit. The total credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit.

Job mentorship tax credit (J01) Repealed July 1, 2025

A taxpayer who owns a New Mexico business may claim a job mentorship tax credit for employing qualified students who take part in a school-sanctioned, career preparation education program. A partnership or other business association of which the taxpayer is a member may claim a credit in proportion to the taxpayer's interest in the partnership or association.

Credit Limitations

The credit equals 50% of gross wages paid to a maximum of 10 qualified students. The business must employ each student for up to 320 hours during the tax year. A taxpayer may not claim a credit for one qualified individual for more than three tax years. The maximum credit for one tax year is $12,000.

Carry Forward for Three Years

This credit is not refundable, but you may carry unused credit forward for three consecutive years.

Claiming This Credit

To claim this credit, follow these steps:

1. Complete RPD-41281, *Job Mentorship Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
    - **Column A.** Enter **J01**.
    - **Column B.** Leave blank. A credit approval number is not required to claim this credit.
    - **Column C**. Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
    - RPD-41281
    - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

Land conservation incentives credit (L01)

Corporations that donate land or interest in land to private or public conservation agencies for conservation purposes may claim a credit up to the following amounts from personal, fiduciary, or corporate income tax equal to 50% of the fair market value of the land transferred:

- $100,000 for donations made before January 1, 2008
- $250,000 for donations made on or after January 1, 2008

For a donation made after January 1, 2008, the corporation may sell, exchange, or transfer the credit in increments of $10,000 or more.

Carry Forward for 20 Years

Unused credit is not refundable, but you may carry it forward for up to 20 consecutive years following the year when the qualified donation occurred.

Applying for This Credit

To apply for this credit, follow these steps:

1. Contact EMNRD to certify the eligibility of the donation.
2. After you receive the certificate of eligibility from EMNRD, complete RPD-41335, *Land Conservation Incentives Credit Application*.
3. Submit RPD-41335 and a copy of the certificate of eligibility to the Taxation and Revenue Department.

Claiming This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete RPD-41282, *Land Conservation Incentives Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
    - **Column A.** Enter **L01**.
    - **Column B.** Enter the credit number the Department assigned on RPD-41335, *Land Conservation Incentives Credit Application*. If the credit was transferred, enter the new credit number assigned on RPD-41336, *Notice of Transfer of Land Conservation Incentives Tax Credit*.
    - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
    - RPD-41282
    - S-Corp-CR
    - Letter from EMNRD certifying treatment as a qualified donation
4. Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit https://www.emnrd.nm.gov/ecmd/ or call (505) 476-3200.

Preservation of cultural property credit (P01)

The credit for preservation of cultural property is 50% of the approved eligible costs of a project for the restoration, rehabilitation, or preservation of cultural property listed on the official New Mexico Register of Cultural Properties, not to exceed $25,000.

Requirements and Limitations

Before the restoration begins, the New Mexico Cultural Properties Review Committee must approve the project plan. When the restoration ends, the committee must certify that the completed project conforms to the plan.

For tax years beginning on or after January 1, 2009, if the property is also certified by the State Coordinator of the New Mexico Arts and Cultural District Act as located within the boundaries of a state-certified or a municipally-certified arts and cultural district, pursuant to the Arts and Cultural District Act, a maximum of $50,000 credit is allowed.

Carry Forward for Four Years

An amount exceeding the tax liability is not refundable, but you may carry it forward for four consecutive years.

Claiming This Credit

To claim this credit after you receive approval, follow these steps:

1. Complete CIT-4, *New Mexico Preservation of Cultural Property Credit.*
2. Complete S-Corp-CR, including these columns:

- **Column A.** Enter **P01**.
- **Column B.** Enter the log number shown on the project approval letter the Historic Preservation Division issued to you.
- **Column C.** Enter the amount of the credit you want to apply to the tax liability.

3. Attach the following to the S-Corp return:
   - CIT-4
   - S-Corp-CR
   - A copy of the letter of certification
   - The Part 2 approval from the New Mexico Cultural Properties Review Committee
   - If applicable, the approval from the New Mexico Arts and Cultural Districts coordinator
4. Submit the S-Corp return and all attachments to the Department.

For More Information
To learn more about the New Mexico Cultural Properties Review Committee, visit https://www.nmhistoricpreservation.org/cprc.html or call (505) 827-6320. For information about New Mexico Arts and Cultural Districts, visit https://edd.newmexico.gov/ or call (505) 827-0168.

Rural job tax credit (R01)

A rural job tax credit is available for employers in rural areas of New Mexico who qualify for Job Training Incentive Program (JTIP) assistance. Eligible employers may earn the rural job tax credit for each qualifying job created after July 1, 2000.

The holder of the rural job tax credit may apply all or part of the credit against the holder's combined state gross receipts, compensating and withholding taxes, or personal, fiduciary, or corporate income tax.

Calculating the Credit for Qualifying Periods
A qualifying period is 12 months. Calculate the rural job tax credit at 6.25% of the first $16,000 in wages paid for each qualifying job for no more than:

- Four qualifying periods in a Tier 1 area
- Two qualifying periods in a Tier 2 area

Rural Areas—Tier 1 and Tier 2
A rural area excludes Albuquerque, Corrales, Farmington, Las Cruces, Los Alamos County, Los Ranchos, Rio Rancho, Santa Fe, and Tijeras, and a 10-mile zone around these municipalities. Tier 2 areas are limited to Alamogordo, Carlsbad, Clovis, Gallup, Hobbs, and Roswell. Tier 1 is any rural area not part of a Tier 2 area.

Carry Forward for Three Years
An amount exceeding the tax liability is not refundable, but you may carry it forward for three consecutive years.

Applying for This Credit
To apply for the rural job tax credit, do the following:

1. Complete RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, to certify the wages paid to each eligible employee for each qualified job you claim in the eligible period.
2. Take RPD-41247 to a notary to notarize.
3. Complete RPD-41238, *Application for Rural Job Tax Credit*.
4. Send RPD-41247 and RPD-41238 to the address on RPD-41238.

Claiming This Credit
After you receive approval from the Department, you can claim the credit by following these steps:

1. Complete RPD-41243, *Rural Job Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
   - **Column A.** Enter **R01**.
   - **Column B.** Enter the credit approval number the Department issued to you. The number is identified on the credit approval letter. If the letter does not show a credit approval number, leave this box blank.
   - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp return:
   - RPD-41243
   - S-Corp-CR
4. Submit the S-Corp return and all attachments to the Department.

For More Information
To learn more about JTIP, visit the New Mexico EDD website at https://edd.newmexico.gov/, or call (505) 827-0300 or toll free (800) 374-3061.

Renewable energy production tax credit (R03)

Personal, fiduciary, and corporate income taxpayers receive credit for producing electricity by solar light or heat, wind, or biomass for an eligibility period of 10 consecutive years beginning on the date the qualified energy generator begins producing electricity.

Deduct, Refund, or Carry Forward for Five Years
This refundable credit is not currently available to apply for but you may deduct an existing credit from your personal income tax liability for which you are claiming the credit.

If the amount of the tax credit exceeds the corporate income tax liability for the tax year, one of the following is true:

- If the tax credit was issued with respect to a qualified energy generator that first produced electricity using a qualified energy resource on or after October 1, 2007, the state refunds the excess to you.
- You may carry forward the excess credit for five years.

Claiming This Credit
When you receive approval from EMNRD, follow these steps to claim the credit:

1. Complete RPD-41227, *Renewable Energy Production Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:

   - **Column A.** Enter **R03**.
   - **Column B.** Enter the last day of the tax year when the electricity was produced for which you are claiming a credit or a carryforward.
   - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
   - **Column D.** If you are eligible for a refund, enter the amount to refund.
3. Attach the following to the S-Corp-1:

   - RPD-41227
   - Certificate of eligibility from EMNRD
   - Documentation showing the taxpayer's interest in the facility
   - The annual Notice of Allocation from EMNRD, which includes the amount of electricity the facility produced
   - Any other information the Department may require to determine the amount of tax credit due the taxpayer
   - S-Corp-CR
4. Submit the S-Corp-1 and all attachments to the Department.

For More Information

To learn more about the renewable energy credit, visit https://www.emnrd.nm.gov/ecmd/ or call (505) 476-3200.

Sustainable building tax credit (S02) Repealed July, 1,2025.

A taxpayer with qualified construction or renovations made on or before December 31, 2016, should contact the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to certify your eligibility to claim the Sustainable Building Tax Credit.

Carry Forward for Seven Years

This non-refundable credit is not currently available to apply for but you can carry an existing credit forward for the maximum of seven consecutive years from the first eligible year that the credit was approved to be claimed by the Department.

Claiming This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete RPD-41329, *Sustainable Building Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:

   - **Column A.** Enter **S02**.
   - **Column B.** Enter the credit number assigned by the Department on RPD-41327, *Sustainable Building Tax Credit Approval*. If the credit was transferred to you, enter the new credit number assigned on RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*.
   - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
3. Attach the following to the S-Corp-1:

   - RPD-41329
   - S-Corp-CR
   - Copies of the letter of eligibility
4. Submit the S-Corp-1 and all attachments to the Department.

For More Information

To learn more, visit https://www.emnrd.nm.gov/ecmd/ or call (505) 476-3200.

2015 sustainable building tax credit (S03)

A credit is available for construction in New Mexico of a sustainable building, for renovation of an existing building in New Mexico into a sustainable building, or for permanent installation of manufactured housing that is a sustainable building, regardless of where the housing is manufactured. You may claim the credit for tax years from January 1, 2017 through December 31, 2024.

The credit is available for residential and commercial buildings after the construction, installation, or renovation of the sustainable building is complete. To qualify for the tax credit, the building must have achieved a silver or higher certification level in the Leadership in Energy and Environmental Design (LEED) green building rating system or the Build Green NM rating system.

Carry Forward for Seven Years

This credit is not refundable, but you can carry the credit forward for seven years from the first eligible tax year after the Department approved the credit.

Applying for This Credit

To apply for this credit, follow these steps:

1. Contact EMNRD to certify eligibility.
2. After you receive the certificate of eligibility from EMNRD, complete RPD-41382, *2015 Sustainable Building Tax Credit Approval*.
3. Submit RPD-41382 and a copy of the certificate of eligibility to the Department.

Claiming This Credit

When you receive approval from the Department, follow these steps to claim the credit:

1. Complete RPD-41383, *2015 Sustainable Building Tax Credit Claim Form.*
2. Complete S-Corp-CR, including these columns:

   - **Column A.** Enter **S03**.
   - **Column B.** Enter the credit number assigned by the Department on RPD-41382, *2015 Sustainable Building Tax Credit Approval*. If the credit was transferred to you, enter the new credit number assigned on Form RPD-41384, *Notice of Transfer of 2015 Sustainable Building Tax Credit*.

- **Column C.** Enter the amount of the credit you want to apply to the tax liability.

3. Attach the following to the S-Corp return:
    - RPD-41383
    - S-Corp-CR
    - A copy of the letter of eligibility
- Submit the S-Corp return and all attachments to the Department.

For More Information

To learn more, visit https://www.emnrd.nm.gov/ecmd/ or call (505) 476-3200.

2021 sustainable building tax credit (S05)

A credit is available for the construction in New Mexico of a sustainable building, the renovation of an existing building in New Mexico, the permanent installation of manufactured housing, regardless of where the housing is manufactured, that is a sustainable building or the installation of energy-conserving products to existing buildings in New Mexico. You may claim the credit for tax years prior to January 1, 2030.

If the certification level for a sustainable residential building is awarded on or after January 1, 2021, EMNRD may issue a certificate of eligibility to a building owner who is:

- the owner of the sustainable residential building at the time the certification level for the building is awarded, or
- the subsequent purchaser of a sustainable residential building with respect to which no tax credit has been previously claimed.

The credit is available to the building owner of residential and commercial buildings, after the construction, installation, or renovation of the sustainable building is complete. To be eligible, the building owner must obtain a Certificate of Eligibility issued by the Energy, Minerals and Natural Resources Department (EMNRD). To claim the credit, the taxpayer must submit TRD required forms and Certificate of Eligibility with the taxpayer's income tax return.

Carry Forward for Seven Years

If the sum of all 2021 Sustainable Building Tax Credits that can be claimed in a tax year for a taxpayer, exceeds the taxpayer's income tax liability for that tax year, the excess may be carried forward for a period of up to seven years.

Refundable Credit

This credit is considered non-refundable. However, if the taxpayer is a **low-income taxpayer**, the excess shall be refunded to the taxpayer.

"Low-income taxpayer" means a taxpayer with an annual household adjusted gross income equal to or less than two hundred percent of the federal poverty level (200% of the FPL or less) guidelines published by the United States department of health and human services.

Applying for This Credit

To apply for this credit, follow these steps:

1. Contact EMNRD to certify eligibility.
2. After EMNRD approves the credit they will issue the taxpayer a Certificate of Eligibility.

Claiming This Credit

Follow these steps to claim the credit:

1. Complete TRD-41252, *2021 Sustainable Building Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
    - **Column A.** Enter **S05**.
    - **Column B.** Enter the credit number assigned by the Department on Certificate of Eligibility. If the credit was transferred to you, enter the new credit number assigned on Form TRD-41253, *2021 Sustainable Building Tax Credit Notice of Transfer*.
    - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
    - **Column D.** If you are eligible for a refund, enter the amount to refund.
3. Attach the following to the S-Corp:
    - TRD-41252
    - S-Corp-CR
    - A copy of the Certificate of Eligibility or Notice of Transfer
4. Submit the S-Corp and all attachments to the Department.

For More Information

To learn more, visit https://www.emnrd.nm.gov/ecmd/ or call (505) 476-3200.

Technology jobs and research and development tax credit (additional) (T02)

This credit is 5% of qualified expenditures for conducting research and development. An additional 5% credit is available if the taxpayer increases its annual payroll by at least $75,000 for every $1 million in qualified expenditures it claims in a tax year. The basic and additional credits double for businesses in rural areas.

IMPORTANT: Taxpayers who claim the research and development small business tax credit are ineligible to claim the investment tax credit or the technology jobs and research and development tax credit for the same reporting period.

Expenditure Eligibility Requirements

The following are the eligibility requirements for this tax credit:

- Make qualified expenditures on or after January 1, 2016.
- Make eligible expenditures for research and development at a qualified facility.

NOTE: For information on qualified expenditures, see the instructions for RPD-41385, *Application for Technology Jobs and Research and Development Tax Credit*.

Basic and Additional Credits

The holder of the Technology Jobs and Research and Development Tax Credit letter may apply all or part of basic credits against the holder's combined state compensating, withholding, and gross receipts tax, less any local option gross receipts tax.

If you earned additional credits, you may claim that amount against personal, fiduciary, or corporate income taxes. If the taxpayer is a qualified research and development small business, the Department may refund a portion of the additional credit based on the taxpayer's total qualified expenditures made in a tax year.

Carry Forward for Three Years
The basic credit is not refundable. Any credit not claimed against the taxpayer's income tax or corporate income tax due, or refunded, may be carried forward for three years from date of the original claim.

Applying for This Credit
To apply for the basic and additional credit, do the following:

1. Complete RPD-41385, *Application for Technology Jobs and Research and Development Tax Credit*.
2. Send it with the expenditure and payroll increase documentation to the address on RPD-41385.

Claiming This Credit
After you receive approval from the Department, claim the credit by following these steps:

1. Complete RPD-41386, *Technology Jobs and Research and Development Tax Credit Claim Form*.
2. Complete S-Corp-CR, including these columns:
    - **Column A.** Enter **T02**.
    - **Column B.** Enter the credit approval number the Department issued to you. The number is identified on the credit approval letter. If the letter does not show a credit approval number, leave this box blank.
    - **Column C.** Enter the amount of the credit you want to apply to the tax liability.
    - **Column D.** If you are eligible for a refund, enter the amount to refund. Otherwise, leave blank.
- Attach the following to the S-Corp return:
    - RPD-41386
    - S-Corp-CR
3. Submit the S-Corp return and all attachments to the Department.