

1 SENATE BILL 391

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 Mimi Stewart

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10 AN ACT

11 RELATING TO TAXATION; AMENDING A SECTION OF THE INCOME TAX ACT
12 TO EXTEND THE SOLAR MARKET DEVELOPMENT TAX CREDIT THROUGH 2020.

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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. Section 7-2-18.14 NMSA 1978 (being Laws 2006,
16 Chapter 93, Section 1, as amended) is amended to read:

17 "7-2-18.14. SOLAR MARKET DEVELOPMENT TAX CREDIT--
18 RESIDENTIAL AND SMALL BUSINESS SOLAR THERMAL AND PHOTOVOLTAIC
19 MARKET DEVELOPMENT TAX CREDIT.--

20 A. Except as provided in Subsection C of this
21 section, a taxpayer who files an individual New Mexico income
22 tax return for a taxable year beginning on or after
23 January 1, 2006 and who purchases and installs after
24 January 1, 2006 but before December 31, [~~2016~~] 2020 a solar
25 thermal system or a photovoltaic system in a residence,

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1 business or agricultural enterprise in New Mexico owned by that
2 taxpayer may apply for, and the department may allow, a solar
3 market development tax credit of up to ten percent of the
4 purchase and installation costs of the system.

5 B. The total solar market development tax credit
6 allowed for either a photovoltaic system or a solar thermal
7 system shall not exceed nine thousand dollars (\$9,000). The
8 department shall allow solar market development tax credits
9 only for solar thermal systems and photovoltaic systems
10 certified by the energy, minerals and natural resources
11 department.

12 C. Solar market development tax credits may not be
13 claimed or allowed for:

14 (1) a heating system for a swimming pool or a
15 hot tub; or

16 (2) a commercial or industrial photovoltaic
17 system other than an agricultural photovoltaic system on a farm
18 or ranch that is not connected to an electric utility
19 transmission or distribution system.

20 D. The department may allow a maximum annual
21 aggregate of:

22 (1) two million dollars (\$2,000,000) in solar
23 market development tax credits for solar thermal systems; and

24 (2) three million dollars (\$3,000,000) in
25 solar market development tax credits for photovoltaic systems.

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1 E. A portion of the solar market development tax
2 credit that remains unused in a taxable year may be carried
3 forward for a maximum of ten consecutive taxable years
4 following the taxable year in which the credit originates until
5 fully expended.

6 F. Prior to July 1, 2006, the energy, minerals and
7 natural resources department shall adopt rules establishing
8 procedures to provide certification of solar thermal systems
9 and photovoltaic systems for purposes of obtaining a solar
10 market development tax credit. The rules shall address
11 technical specifications and requirements relating to safety,
12 code and standards compliance, solar collector orientation and
13 sun exposure, minimum system sizes, system applications and
14 lists of eligible components. The energy, minerals and natural
15 resources department may modify the specifications and
16 requirements as necessary to maintain a high level of system
17 quality and performance.

18 G. As used in this section:

19 (1) "photovoltaic system" means an energy
20 system that collects or absorbs sunlight for conversion into
21 electricity; and

22 (2) "solar thermal system" means an energy
23 system that collects or absorbs solar energy for conversion
24 into heat for the purposes of space heating, space cooling or
25 water heating."

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