NEW MEXICO ECAM ENERGY CONSERVATION AND MANAGEMENT

State of New Mexico
Energy, Minerals and Natural Resources Department (EMNRD)
Energy Conservation and Management (ECAM)

Energy Conservation Products (ECP)
Renovation of Existing Residential Building

Heat Pumps

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Introduction

New Mexicans are now eligible for a tax credit for electrification measures they install in their existing homes. The 2021 Sustainable Building Tax Credit helps New Mexico homeowners and businesses save on taxes when they install energy-efficient upgrades. It's all about encouraging cleaner energy use and reducing consumption in buildings. The 2021 Sustainable Building Tax Credit (SBTC2021) incentivizes energy efficiency improvements to existing residential homes and commercial buildings.

Here's a concise summary of how the 2021 Sustainable Building Tax Credit (SBTC2021) works in New Mexico for Energy Conserving Products (ECPs):

✅ **Who's Eligible**

- New Mexico property owners (residential or commercial).
- Products must be installed between January 1, 2021, and December 31, 2027, and the tax credit must still be in effect.

🏠 **Qualifying Energy Upgrades**

To qualify for the credit, installations must meet Energy Star standards and climate zone–specific equivalents:

- Air source or ground source heat pumps
- Heat pump water heaters
- Energy Star windows
- Energy Star doors
- Building insulation upgrades
- EV-ready building service panel modifications

📄 **How to Apply**

- Use EMNRD's online application portal via the Energy Conservation and Management Division (ECAM).
- Upload supporting documents.
- Await verification and approval (allow 3–4 weeks for processing).
- If approved, you'll receive an email with your Certificate of Eligibility.
- Use the certificate when filing with the Taxation and Revenue Department to claim your credit.

⚠️ **Things to Note**

- There are annual funding caps.
- Incomplete or non-compliant applications are rejected but can be resubmitted with corrections.

Home Renovation:

General Requirements

A person who is the owner of temperature-controlled space and was built at least 10 years prior to the renovation and is broadband and electric vehicle ready effective January 1, 2021, may receive a certificate of eligibility for a *2021 Sustainable Building Tax Credit*.

Here's a high-level summary of eligibility for the 2021 Sustainable Building Tax Credit (SBTC2021):

🏢 For Large Commercial Buildings
- Must be **over** 20,000 sq. ft. of temperature-controlled space.
- Built at least 10 years before renovation.
- Must be broadband and EV-ready as of January 1, 2021.
- Requires a certificate of occupancy or approval verifying the age and renovation.

🏘️ For Small Commercial/Residential Buildings
- Must be **under** 20,000 sq. ft**.** of temperature-controlled space.
- Must be broadband and EV-ready as of January 1, 2021.
- Must include energy conservation products installed on or after January 1, 2021.

✅ Product & Installation Requirements
- Energy Conserving Products (ECPs) must meet Energy Star or equivalent standards for the local climate zone in which the products are installed.
- All installations must comply with current New Mexico's building, electrical, and mechanical codes.
- Work must be permitted and inspected by an official code and shall be inspected by the code official having jurisdiction.
- Insulation must meet NM's current energy code.

🔄 Application Process
- Rejected applications can be **resubmitted** as new applications with requested corrections and a completed signature page.

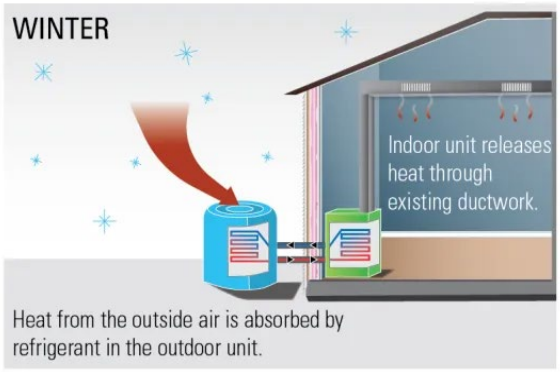
💸 Low-Income Provision
- Those earning ≤ 200% of the federal poverty level may qualify under additional provisions.
- Annual guidelines available here: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines

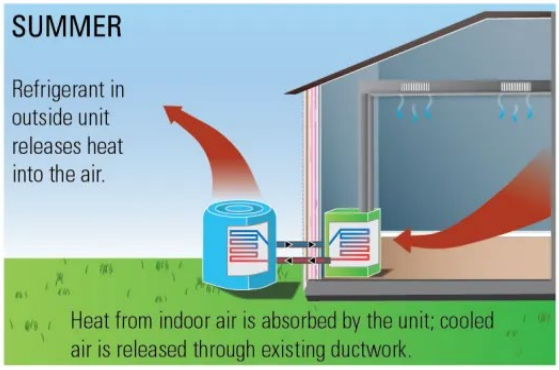
Sustainable affordable buildings mean housing that serves the needs of low-income persons with an annual household adjusted gross income equal to or less than two hundred percent of the federal poverty level guidelines published by the United States department of health and human services.

How Heat Pumps Work

Ductless heat pumps, or **Mini split heat pumps**, are specifically designed for homes or sections of homes that do not have ductwork. If your home doesn't have existing ductwork or you are planning an addition or renovation where running ductwork will be difficult, you can install a heat pump to heat and cool a portion of your house. Ductless heat pumps, or mini split heat pumps, are an alternative to radiator or baseboard heating, as well as a replacement for window units for cooling. No duct work is needed. Instead, a head unit, or multiple head units, are mounted on an interior wall or ceiling, with an accompanying unit outside. The outside unit extracts heat from the air. Refrigerant carries the heat directly to the head(s) inside, which then delivers heated air to occupied space. In warmer months, the system works in reverse for quiet, efficient air conditioning. A ductless heat pump works in both cold and warm seasons, doing double duty to keep your home comfortable no matter the temperature outside.

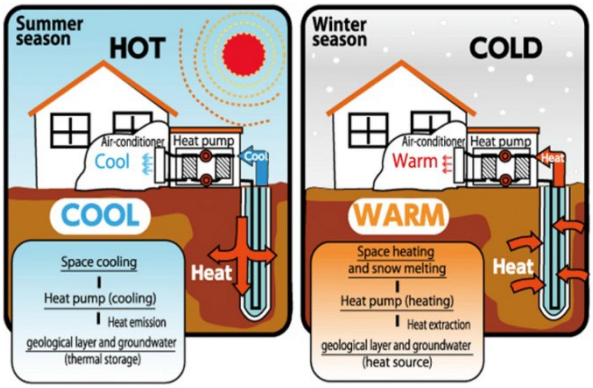
Air Source Heat Pumps (ASHPs) If your home has existing ductwork, a ducted ASHP system may be the right system for you. **Ducted** ASHP systems can be installed and connected to the conventional forced-air ductwork system that is typical of most American homes. A central ASHP can use pre-existing ductwork in your home to deliver heating and cooling, making installation even easier. In most climate zones, an ASHP can be installed as a drop-in replacement when either a central air conditioner or a furnace needs replacement. A ducted ASHP is a central air conditioner that also works in reverse to provide whole-house space heating in winter. A ducted ASHP provides highly efficient heating and cooling by extracting heat from outside into your home in winter and pulling the heat out of your home in the summer





Heat Pump Water Heaters (HPWHs) are also commonly referred to as Hybrid Electric Water Heaters. HPWHs use electricity to move heat from one place to another instead of generating heat directly. To understand the concept of heat pumps, imagine a refrigerator working in reverse. While a refrigerator removes heat from an enclosed box and expels that heat to the surrounding air, a HPWH takes the heat from surrounding air and transfers it to water in an enclosed tank. During periods of high hot water demand, HPWHs switch to standard electric resistance heat (hence they are often referred to as "hybrid" hot water heaters) automatically.

Ground Source Heat Pump (GSHP) also known as a **Geothermal Heat Pumps (GHPs)** are among the most efficient and comfortable heating and cooling technologies currently available, because they use the earth's natural heat to provide heating, cooling, and often water heating. Geothermal heat pumps use 61% percent less energy than a standard model, saving nearly $830 annually, and more than $9,500 over the 15-year life of the product. Geothermal heat pumps water-to-water GHPs, which provide space conditioning and/or domestic water heating using indoor refrigerant-to-water heat exchangers.



2021 Sustainable Building Tax Credit (SBTC)
7-2-18.32 NMSA and 3.3.35 NMAC - PIT
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Quick Overview

Here's a step-by-step outline of the application process for the 2021 Sustainable Building Tax Credit (SBTC) in New Mexico, specifically for projects like heat pump installation:

📝 Application Process Overview

1. **Assess Eligibility**
   Confirm that your building meets the requirements—such as EV-ready infrastructure, energy-efficient upgrades, or other qualifying improvements.
2. **Gather Required Documents**
   This includes:
   - Proof of property ownership (e.g., tax bill)
   - Itemized invoice with product and labor costs, make, model, duct type, and performance ratings
   - Inspection permit report (if applicable)
   - Model Performance specifications or Energy Star label
   - Any additional documentation requested by the EMNRD
3. **Submit Application via Online Portal**
   Use the Energy Conserving Products (ECP) portal provided by the Energy, Minerals and Natural Resources Department (EMNRD). Applications must be submitted electronically and supporting documents attached.
4. **Receive Certificate of Eligibility**
   If approved, EMNRD will issue a certificate confirming your eligibility for the tax credit.
5. **To Claim the Tax Credit**
   Submit the certificate with your New Mexico state income tax return through the Taxation and Revenue Department.

Required Supporting Documents

Heat Pumps

Prior to starting an application, please make sure to review your documentation for completeness before submitting it electronically. Energy-Conserving Products (ECP) installed under the *2021 Sustainable Building Tax Credit* shall reduce the energy consumption of a residential or commercial building. Energy-Conserving Products shall be energy star rated or equivalent performance values for the climate zone installed and meet requirements in 3.3.35.14 or 3.4.22 NMAC to be eligible for the *2021 Sustainable Building Tax Credit*.

Application requirements for the 2021 Sustainable Building Tax Credit:
Installed products must be **Energy Star rated** for the location

📎 **Required Attachments for Application**

- 🏠 **Proof of property** ownership:
  - Deed
  - Property tax bill
  - Legal description of the building
- 📄 **Itemized invoice** that includes:

  - Cost of the product and installation labor
  - Manufacturer and model number
  - Whether the system is ducted or non-ducted
  - Product performance ratings
- 🛠️ **Proof of inspection** (if applicable)
- ⭐ **Performance specifications**, See Performance Values for product:
  - Heat pump performance specification values, or;
  - Energy Star website equipment specification sheet showing complete model number, or;
  - Copy of Energy Star label for specific model installed product
- 📑 **Any additional documents** the department requests to review the project

Which Online Portal Handles My Tax Credit Application

New Building

A person who is the owner of a **new** building in New Mexico constructed to be a sustainable building or permanently installed manufactured housing and receives certification on or after January 1, 2022, may receive a certificate of eligibility for a Sustainable Building Tax Credit. Please use this web portal for new build homes.
https://devwwwapps.emnrd.nm.gov/ECMD/SBTCSubmissions/

Renovation of a Large Commercial Building

A person who is the owner of a commercial building having **more than** 20,000 square feet of temperature-controlled space and was built at least 10 years prior to the renovation and is broadband and electric vehicle ready effective January 1, 2021, may receive a certificate of eligibility for a *2021 Sustainable Building Tax Credit*.
Additional required document: a copy of certificate of occupancy from the building official for the renovation of a commercial building showing it was built at least 10 years prior to the project.
To apply for the renovation of a large commercial building having **more than** 20,000 square feet use the following link. https://devwwwapps.emnrd.nm.gov/ECMD/SBTCSubmissions/

Renovation of Residential Building

A person who is the owner of a commercial / residential building having **less than** 20,000 square feet of temperature-controlled space, with internet connections capable of connecting to a broadband provider, who has installed energy conservation products in an existing commercial on or after January 1, 2021, may receive a certificate of eligibility for a *2021 Sustainable Building Tax Credit* for energy conserving product installation.
The website with information and instruction can be found on our home page https://www.emnrd.nm.gov/
To apply for the renovation of a commercial building **less than** 20,000 square feet use the following link.
https://devwwwapps.emnrd.nm.gov/ECMD/ECPSubmissions/

Performance Values

Products must meet the following Energy Star or equivalent performance values or equivalent performance values. To locate performance values, utilize a variety of websites. Locate your product and the model number to find the product performance values to assist your application data entry. Save an electronic copy of the performance value information to be used as a required supporting document.

To help streamline your application process, here is a practical approach you can follow for guidance on selecting energy-efficient products:

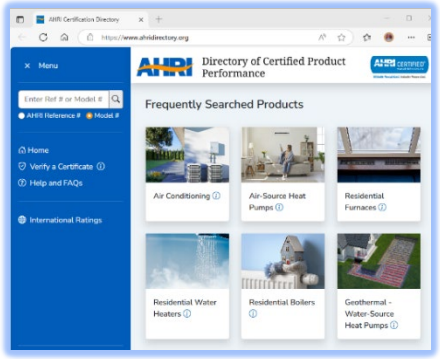
- **Find Product Performance Values**:
  - Visit manufacturer websites and input the product model number to obtain technical specification sheet.
  - Use the Energy Star Product Finder to check qualification status and view performance data.
- **Download and Save Documentation:**
  - Screenshots, PDFs, or certificates showing the performance values should be saved electronically.
  - Make sure documentation clearly lists the product model and corresponding climate-appropriate values.

Links to Obtain Performance Values

Energy Star Website:
All windows, doors, and heat pumps require the model's name number and Energy Star or equivalent performance specification values for their climate zones. **The performance rating certificate** contains the performance values necessary to complete the electronic application.
Search for performance values: *https://www.energystar.gov/products*

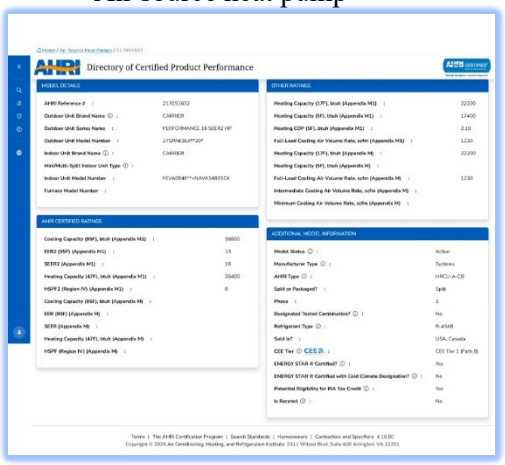
AHRI Directory of Certified Product Performance Website:
Air-Conditioning Heating Refrigeration Institute (AHRI) is a third-party non-profit organization that sponsors certified rating and labeling to help consumers compare the performance of heat pumps. AHRI works with state legislators, regulatory bodies, and the utility industry to support programs that would incentivize consumers to replace older, less efficient HVACR and water heating equipment with newer, more efficient equipment. They promote consistency in manufacturer specifications, which increases consumer confidence, and provides a means for manufacturers, third-party laboratories, regulators, and certification bodies to evaluate products objectively and consistently.

The energy performance of qualified heat pumps must be independently tested, certified, and verified according to test procedures established by the AHRI. The AHRI label can be found on all Energy Star certified heat pump performance ratings.
Search for performance values: *https://www.ahridirectory.org/*



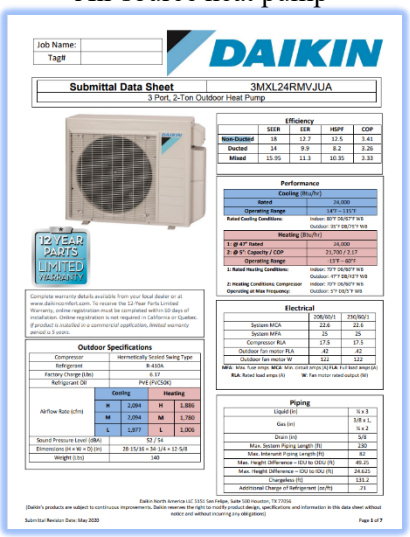
Performance Rating Sample Labels

Air source heat pump



Heat pump performance rating

Air source heat pump

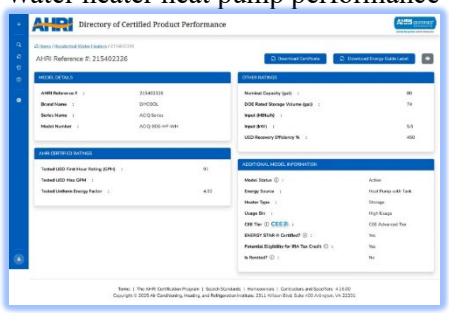


Water heater heat pump certificate

Water heater heat pump Energy Star

Heat pump performance rating certificate

Water heater heat pump performance



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Performance Tables

Air Source Heat Pump, Ground Source Heat Pump, Water Heater

To be eligible for SBTC, products must meet the following Energy Star or equivalent performance values:

Performance Tables for Heat Pumps **manufactured prior to 2022**

Air Source Heat Pumps

SEER	EER	HSPF
≥16	≥12.5	≥9.2

The "less than or equal to" sign: ≤
The "greater than or equal to" sign: ≥
The "equal to" sign: =

Ground Source Heat Pumps

Product Type	SEER	EER	HSPF	COP
Split system CAC	18	13.0		
Split system ASHP	18	12.5	9.6	
Single-package CAC	16	12.0		
Single-package ASHP	16	12.0	8.2	
Closed Loop Water -to-Air GHP		17.1		3.6
Open Loop Water-to-Air GHP		21.1		4.1
Closed Loop Water-to-Water GHP		16.1		3.1
Open Loop Water-to-Water GHP		20.1		3.5
DGX to Air		16.0		3.6
DGX-to-Water		15.0		3.1

Performance Tables for Heat Pumps **manufactured after 2022**

Residential Heat Pumps

Product Type	SEER2	EER2	HSPF2
HP Split Systems	≥15.2	≥11.7	≥7.8
HP Single Package Equipment	≥15.2	≥10.6	≥7.2

Residential Central Air Conditioners

Product Type	SEER2	EER2
CAC Split Systems	≥15.2	≥12.0
CAC Single Package Equipment	≥15.2	≥11.5

Residential Cold Climate Heat Pumps

Product Type	SEER2	HSPF2
HP Split Systems (Non-Ducted)	≥15.2	≥8.5
HP Split Systems (Ducted)	≥15.2	≥8.1
HP Single Package Equipment	≥15.2	≥8.1

Ground Source Heat Pumps

Product Type	EER	COP
Closed Loop Water -to-Air GHP	≥17.1	≥3.6
Open Loop Water-to-Air GHP	≥21.1	≥4.1
Closed Loop Water-to-Water GHP	≥16.1	≥3.1
Open Loop Water-to-Water GHP	≥20.1	≥3.5
DGX to Air	≥16.0	≥3.6
DGX-to-Water	≥15.0	≥3.1

The "less than or equal to" sign: ≤
The "greater than or equal to" sign: ≥
The "equal to" sign: =

Heat Pump Water Heaters

HPWH Type	UEF	FHR
Integrated HPWH	≥3.3	≥45 gallons per hr.
Integrated HPWH, 120 Volt/ 15 Amp Circuit	≥2.2	≥45 gallons per hr.
Split-system HPWH	≥2.2	≥45 gallons per hr.

CAC - Central Air Conditioners
DGX - Direct Geo Exchange
GHP –Ground Heat Pump
HP – Heat Pump
ASHP - Application System Heat Pump
SEER - Seasonal Energy Efficiency Rating
EER - Energy Efficiency Rating
HSPF - Heating Seasonal Performance Factor
COP - Coefficient of Performance
UEF - Uniform Energy Factor
FHR - First-Hour Rating

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Performance Glossary

Coefficient Of Performance (COP): of a heat pump is the ratio of the change in heat at the "output" (the heat reservoir of interest) to the supplied work.

Energy Efficiency Ratio (EER): EER rating provides you with a ratio of useful cooling output (in BTU/h) to electricity input (measured in W). A higher EER rating means that an air conditioner will provide a lot of cooling effect for every Watt of energy you provide. To get an EER rating, you need to divide an air conditioner's capacity by its power. EER rating = Capacity (in BTU) / Power (in W)

Energy Efficiency Ratio 2 (EER2):
EER2 is the ratio of the average rate of space cooling delivered to the average rate of electrical energy consumed by the air conditioner or heat pump. This ratio is expressed in Btu per Wh (Btu/Wh).

First Hour Rating (FHR): An estimate of the maximum volume of hot water in gallons that a storage water heater can supply within an hour that begins with the water heater fully heated. The FHR is measured at a 125°F outlet temperature in the Uniform Energy Factor test method.

Heating Seasonal Performance Factor (HSPF): is a rating of the energy efficiency for all heating devices, including heat pumps, furnaces and water heaters. HSPF provides a numerical representation of the total heat delivered by the device during normal usage divided by the amount of electricity it takes to deliver that heat. It tells us how much heat, in BTUs (British Thermal Unit), is delivered per kilowatt-hour (kWh).

Heating Seasonal Performance Factor 2 (HSPF2): HSPF2 is the total space heating required in region IV during the space heating season, expressed in Btu, divided by the total electrical energy consumed by the heat pump system during the same season, expressed in watt-hours. HSPF2 (Heating Seasonal Performance Factor) is a measurement of heating efficiency for heat pumps. It is useful for comparing energy efficiency of heat pumps.

Seasonal Energy Efficiency Ratio (SEER): is a rating scale system for measuring air conditioner efficiency in small, easy-to-understand numbers. A good SEER rating is typically 14 or higher. The average efficiency rating for a central air conditioner in operation today is 16 but high energy-efficient models can have ratings as high as 23.

Seasonal Energy Efficiency Ratio 2 (SEER2): SEER2 is the total heat removed from the conditioned space during the annual cooling season, expressed in Btu, divided by the total electrical energy consumed by the air conditioner or heat pump during the same season, expressed in watt-hours.

Uniform Energy Factor (UEF): The newest measure of water heater overall efficiency. The higher the UEF value is, the more efficient the water heater.

Rebate Versus Tax Credit

New Mexico residents can take advantage of various programs aimed at reducing energy costs and promoting sustainability through rebates and tax credit incentives. Rebates provide immediate savings, often as cash back after purchase or directly at the point of sale and may be subject to income eligibility. In contrast, tax credits offer long-term benefits by reducing your tax liability, making them ideal for those planning ahead. Whether upgrading appliances, installing solar panels, or making other energy-efficient improvements, these options help make your home or business more cost-effective and environmentally friendly.
Additional information: https://clean.energy.nm.gov/

Entering Application

Prior to starting an application, please make sure to review your supporting documentation for completeness before submitting it electronically. Energy-conserving products installed under the *2021 Sustainable Building Tax Credit* shall reduce the energy consumption of a residential or commercial building. Energy-conserving products shall be energy star rated or equivalent performance values for the climate zone location installed and meet requirements in 3.3.35.14 or 3.4.22 NMAC to be eligible for the *2021 Sustainable Building Tax Credit*.

Application requirements for the 2021 Sustainable Building Tax Credit:

Pre-Submission Checklist

Installed energy conserving products must:

- Be **Energy Star** rated for the location

📎 **Required Attachments for Application**

- 🏠 **Proof of property** ownership:
  - Deed
  - Property tax bill
  - Legal description of the building
- 🧾 **Itemized invoice** that includes:
  - Cost of the product and installation labor
  - Manufacturer and model number
  - Whether the system is ducted or non-ducted
  - Product performance ratings
- 🛠️ **Proof of inspection** (if applicable)
- ⭐ **Heat pump performance specifications**, See Performance Values for product:
  - A specification sheet from the Energy Star website including the full model number
  - A copy/photo of the Energy Star label for the installed model
- 📑 **Any additional documents** the department requests to review the project

Weblinks

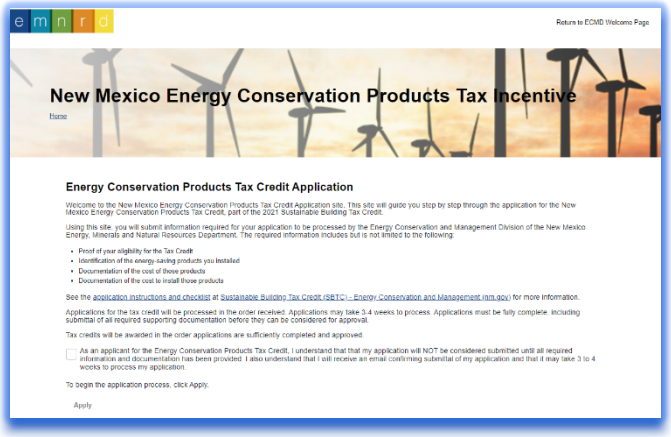
Home Web Page:
https://www.emnrd.nm.gov/

2021 Sustainable Building Tax Credit **(SBTC) Web Page:**
https://www.emnrd.nm.gov/ecmd/tax-incentives/energy-conserving-products/

Energy Conservation Products Tax Credit Application Submission Portal:
https://wwwapps.emnrd.nm.gov/ECAM/ECPSubmissions/

Entering Application Portal

Landing page:

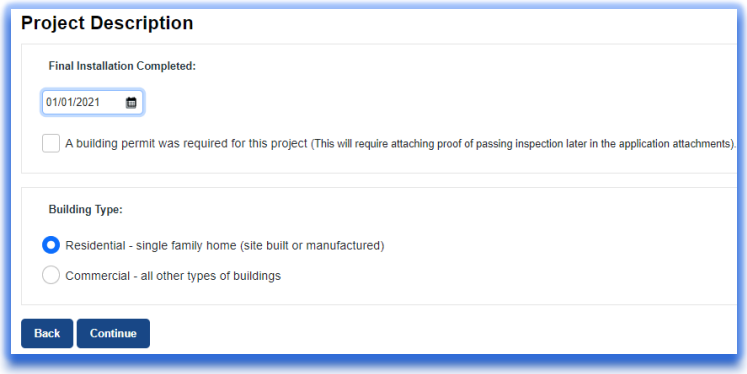


- Check the acknowledgement box.
- Select **Apply** to continue.

Project Description:

- Enter the date of product installation received a successful passing inspection date.

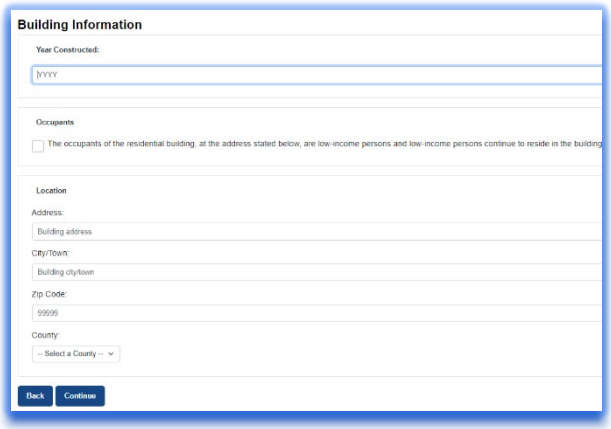
To determine fund year eligibility, a passing inspection date, and if passing inspection permit is not required the invoice date



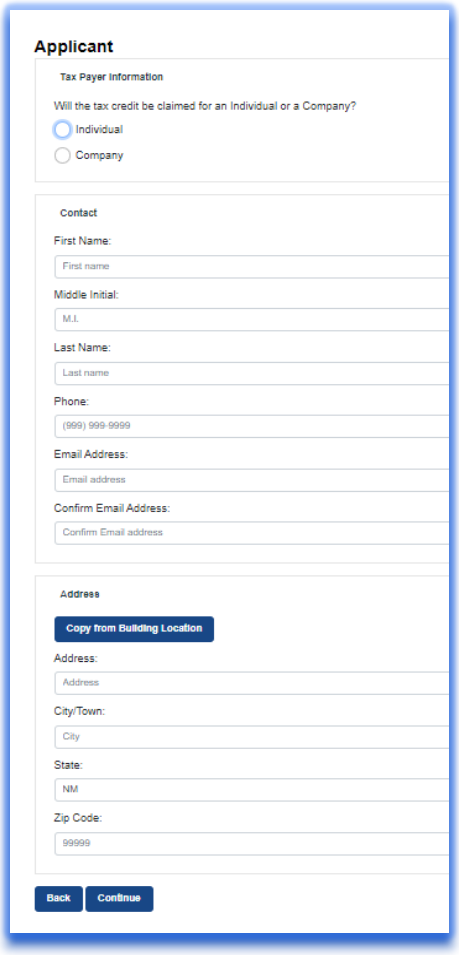
- Check the acknowledgement box if a permit is required for your project.
- Select your building type:
    a. Residential
    b. Commercial.
- Select **Continue**

Building Information:

- Enter the year your building was constructed.
    - If applicable, indicate to declare a low-income taxpayer with and annual household adjusted gross income is equal to or less than two hundred percent of the federal poverty level guidelines published by the United States department of health and human services.
- Enter the location address of the building where products are installed.
- Select **Continue**



Applicant Information:



- Select applicant type.

- Indicate if applicable, to declare a low-income taxpayer with and annual household adjusted gross income is equal to or less than two hundred percent of the federal poverty level guidelines published by the United States department of health and human services. https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/

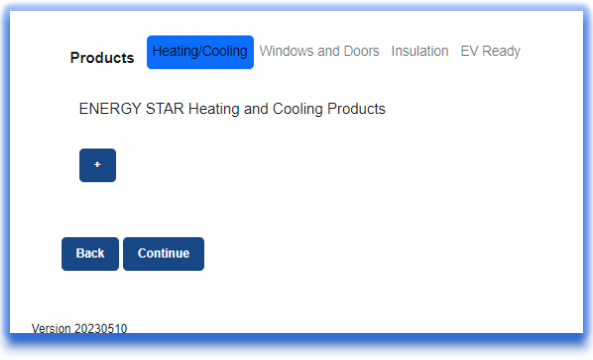
- Enter applicant's information.

- Select **Continue**

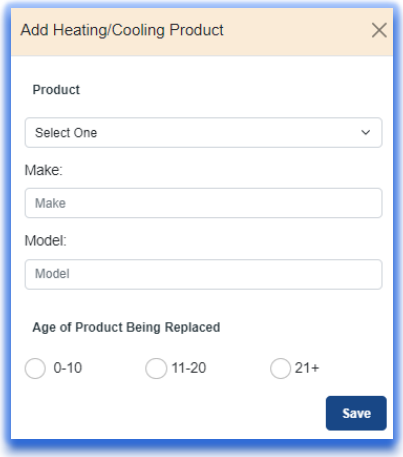
Entering Product Information:

Product(s):

- Click on the Product title *tab* to select the type installed.
  Product tabs available are Heating/Cooling, Windows and Doors, Insulation, and EV Ready.
  If an applicant has multiple product types, select one tab at a time to add product details. If applicant has multiple products, each qualifying product requires individual entry. (ie: six windows equal six entries) or applicants will have to navigate selecting several tab types for multiple product types.
- To add a product, select tab, select the + sign.

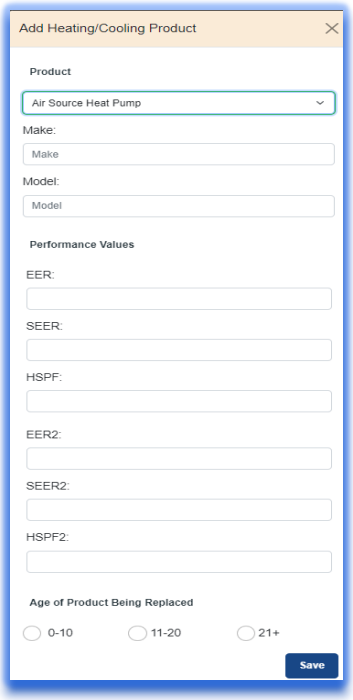


Heating/Cooling Product:

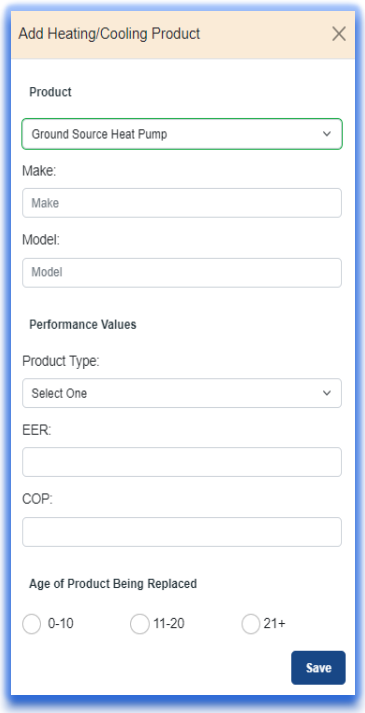


- Use drop down menu to select Product type installed. Products available are:
  - *Air Source Heat Pump,*
  - *Ground Source Heat Pump,*
  - *Heat Pump Water Heater*
- Enter the product information and performance values for the product selected.
- Select **Save** to continue.
- If you have multiple products, add a product, select the + sign.

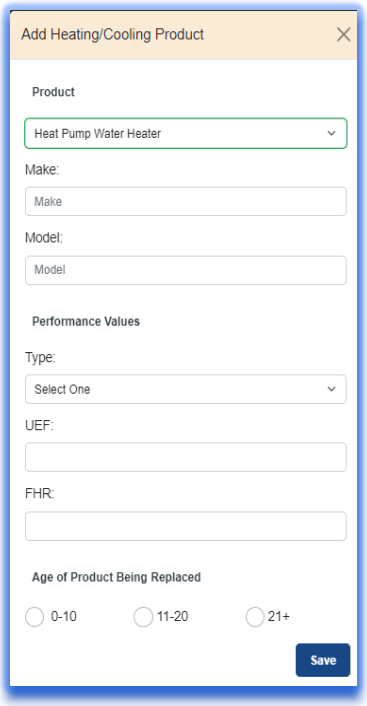
Air Source Heat Pump



Ground Source Heat Pump



Heat Pump Water Heater



- Once you have entered all Energy Conservation Products, Select **Continue**

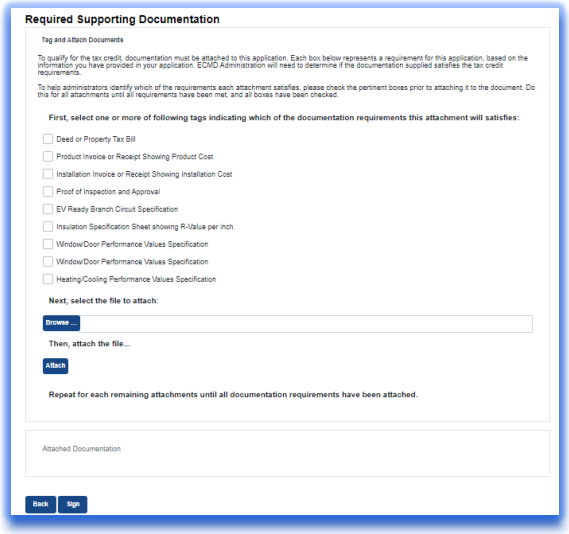
Heat Pump Required Documents:

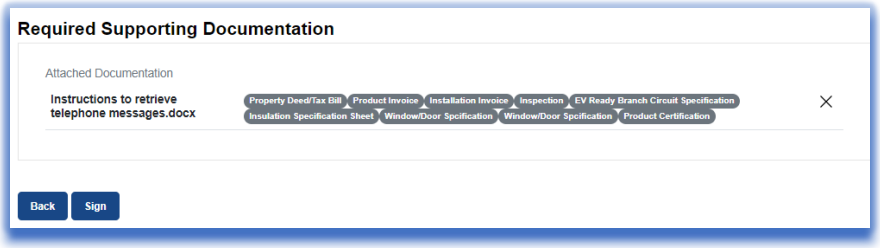
1. A copy of a deed, property tax bill, or legal description of the building
2. Itemized invoice with product cost and installation cost.
3. Proof of passing inspection, if applicable
4. Window/Door/heat pump performance specification values or Energy Star website equipment specification sheet showing complete model number or copy of Energy Star label for specific model of installed items.

Required Supporting Documentation:

In this section, for each product claim you will attach all the supportive documents. All documents displayed in the list are required to be attached and will be displayed. Attach individual files.

- Select the box indicating which required document will be attached.
    - ***Enter one attachment at a time.***
- Select **Browse** to search / locate your attachment file.
- Select the file to attach.
- Click **Attach**
    - *Repeat process for each individual attachment.*
    - *Repeat steps until all documents required are attached.*
- Select **Sign** to continue.



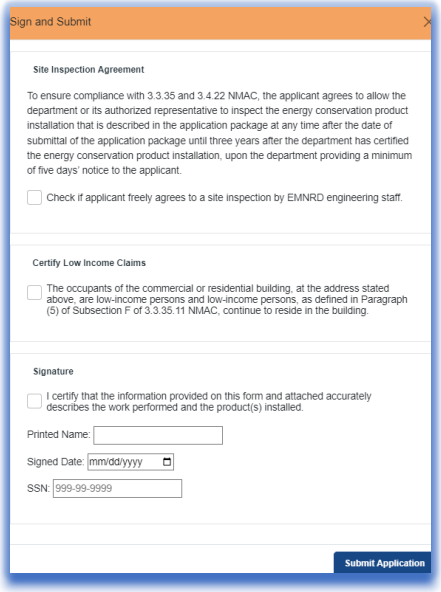


Document Attachment Caution: If you attach a document and then replace it:

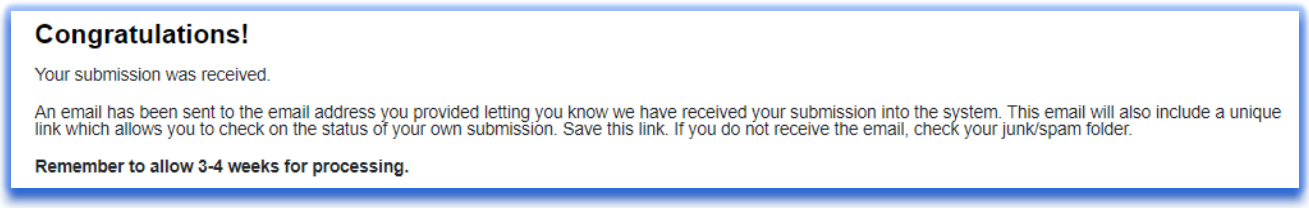
- The system may still consider the requirement fulfilled.
- This can cause errors or prevent proper submission.
- **Fix**: Clear your browser cache to reset the attachment status.

Sign and Submit

- Check acknowledgement.
- Enter information.
- Select **Submit Application**



A successful application on the portal will receive this ***portal*** message:



A successful application on the portal will also receive this ***email*** message:

> The submission of your application for the Energy Conservation Products Tax Credit has been stored in our system.
>
> ECAM Staff will review submissions in the order they are received. If your submission is considered sufficiently complete, your submission will be entered for processing as an application. Processing may take up to 3-4 weeks.
>
> You can check the status of your submission anytime in the process using the enclosed link. Save the link as it is specific to your submission.
>
> Thank you.

If you do not receive an acknowledgement email, please check email spam/junk file.

Approved applications will receive a Certificate of Eligibility by email with a link for applicants to download and print a Certificate of Eligibility.

Refresh Errors

Errors may occur if you attach and replace documents, because the system will recognize attachment requirement as fulfilled. To correct, you must clear your computer cache.

Auto-Save Functionality: Your application data is saved based on your IP address. This means:

- You can pause and resume your application.
- You can navigate between screens.
- If your session times out, your progress is still retained.

Navigation Options: Use the **menu at the bottom of the screen** to:

- Start a new application.
- Select "Start Over" to reset your current session.

Incentives

New Mexico is really stepping up its game when it comes to energy efficiency and sustainability. Here's a quick breakdown of some of the standout programs currently available:

- The **Advanced Energy Equipment Tax Credit** supports investments in qualified manufacturing facilities that produce advanced energy equipment in New Mexico.

- **Agricultural Biomass Income Tax Credit:**
  For dairy and feed lot owners who transport manure (agricultural biomass) to facilities that produce renewable fuel or electricity. It offers $5 per wet ton, with the credit being transferable and carry-forward eligible for 4 years.

- **Clean Car Tax Credit:**
  Offers refundable and transferable credits up to $3,000 for new electric vehicles and $2,500 for used, available through 2029. Requires pre-approval from EMNRD.

- **Clean Car Charging Unit Tax Credit:**
  Helps offset the cost of installing EV charging infrastructure—up to $25,000 for DC fast chargers or $400 for standard units. Refundable and available through 2029.

- **Home Electrification and Appliance Rebates (HEAR):**
  Provides instant, point-of-sale rebates on energy-efficient electric appliances, including heat pumps and wiring upgrades. Targeted toward low- and moderate-income households, with rebates up to $14,000.

- **Energy Conserving Products (ECP) Tax Credit:**
  For homeowners and businesses installing Energy Star-rated products like insulation, windows, or EV chargers. Reduces tax liability at filing time.

- **Geothermal Electricity Generation Tax Credit** supports taxpayers who hold an interest in a geothermal electricity generation facility that produces electricity in New Mexico

- **Geothermal Ground Coupled Heat Pump Tax Credit:**
  It covers 30% of system costs, capped at $9,000, for ground-source heat pump installations. Refundable and certified systems only; available through 2034.

- **New Solar Market Development Tax Credit (NSMDTC):**
  Offers 10% of installation cost for solar photovoltaic or solar thermal systems, up to $6,000 per taxpayer. Refundable and transferable beginning in 2022, with a $30M annual cap.

- **The 2021 Sustainable Building Tax Credit (SBTC):**
  Encourages high-efficiency green construction. Ranges from $0.30 to $5.50 per sq. ft. depending on building type and energy standards met. Available for residential and commercial projects. Transferable with a 7-year carryforward.

You can explore all these programs and check your eligibility using the New Mexico Clean Energy Program portal. It's a handy way to preview which rebates or credits may apply before committing to upgrades. Additional information: https://clean.energy.nm.gov/

Claim Tax Credit

Once you have received your Certificate of Eligibility from the Energy, Minerals, and Natural Resource Department (EMNRD) you will claim your *2021 Sustainable Building Tax Credit* with Taxation Revenue Department.

Questions regarding this process, please contact the Taxation and Revenue Department. The process for claiming the 2021 Sustainable Building Tax Credit in New Mexico:

1. Start with your Certificate of Eligibility from the EMNRD. This document confirms you're approved to claim the tax credit.
2. If your credit **exceeds your tax liability**, you can:
    - **Carry it forward** for up to 7 years, or
    - If you're a **low-income taxpayer**, you may be eligible for a **refund** instead.
        - ❖ **Low-Income Refund Option:** If you qualify as a low-income taxpayer, you may be eligible to request a refund of the unused portion of the credit instead of carrying it forward.
3. The **total amount claimed over time** cannot exceed the original credit awarded.

You can file electronically via the Taxpayer Access Point, https://tap.state.nm.us/tap/_/ and if you have any issues, contact the **Business Credit Claims Processing Unit** for questions:

- Website: www.tax.newmexico.gov
- Email: businesscredit.mgr@tax.nm.gov
- Telephone: (505) 827-0792
- Mailing address: P.O. Box 5418, Santa Fe, NM 87502-5418

Inspection Disclaimer

To ensure compliance with 3.3.35 or 3.4.22 NMAC, applicants agree to allow the department or its authorized representative to inspect the energy conservation product installation described in the application package at any time after the date of submitting the application package until three years after the department has certified the energy conservation product installation, upon the department providing a minimum of five days' notice to the applicant.

Questions and Answers

Q: What is the first eligible year to claim the credit for a fiscal year taxpayer?

A: The first eligible year would be the fiscal year beginning in the year stated on the eligibility certificate.

Q: Bought my home 5 years ago and renovated to flip the home. Can I receive a tax credit on Energy Conserving Product installed.

A: A person who is the owner of a commercial building having **less than** 20,000 square feet of temperature-controlled space, shall have internet connections capable of connecting to a broadband provider, who installed energy conservation products in an existing residential building on or after January 1, 2021, may receive a certificate of eligibility for a *2021 Sustainable Building Tax Credit* for energy conserving product installed.

Q: My Energy Conserving Product has an Energy Certificate, but it keeps getting rejected.

A: Energy Conserving Products installed must be Energy Star Certified or equivalent performance values. Provide the Energy Star Certificate, or specification sheet with model number and equivalent performance values.

Q: What types of photo images are allowed to be uploaded?

A: HEIC file is an Apple Image file. The following types of files are allowed: .bmp .doc .docx .gif. heic .jpg .jpeg .odp .odt .ods .pdf .png .ppt .pptx .svg .tiff

Q: I installed seven windows and only received $500 tax credit. I thought I would get more, what happened?

A: You must apply for individual products. Example: If you installed one window, you must enter one entry. If you installed 15 windows, you must create 15 product entries.

Q: Can I scan and attach one document

A: The online portal will expect multiple attachments. An applicant may scan all documents as one document and attach them multiple times or at one time.

Contact Information:

Questions on forms, transfers, refunds, and filing your income tax return. Contact TRD:

TAXATION & REVENUE NEW MEXICO

State of New Mexico
Taxation Revenue Department (TRD)
Revenue Processing Division (RPD)
Business Tax Credit Unit
P.O. Box 630, Santa Fe, NM 87504
e-mail: businesscredit.mgr@tax.nm.gov
www.tax.newmexico.gov/
Telephone (505) 827-0792

Questions on tax credit application and project certification. Contact EMNRD:

NEW MEXICO ECAM ENERGY CONSERVATION AND MANAGEMENT

State of New Mexico
Energy, Minerals and Natural Resources Department (EMNRD)
Energy Conservation and Management Division (ECMD)
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
e-mail: emnrd.taxcredits@emnrd.nm.gov
www.emnrd.nm.gov/
Message Telephone: (50) 476-3310

NEW MEXICO emnrd Energy, Minerals and Natural Resources Department