NEW MEXICO ECAM ENERGY CONSERVATION AND MANAGEMENT

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

Geothermal Ground Coupled Heat Pump

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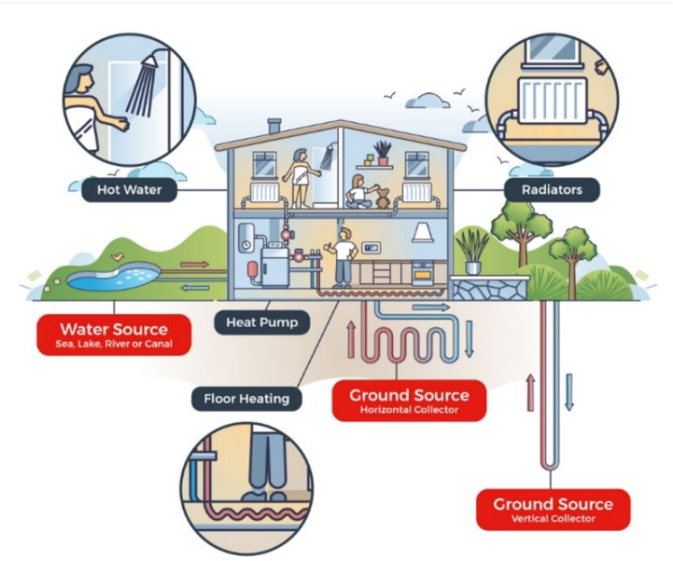
Introduction

The New Mexico Geothermal Ground-Coupled Heat Pump Tax Credit was enacted in 2024 to make geothermal energy more affordable for property owners. It provides a tax credit worth 30% of the purchase and installation costs of a qualifying system, up to $9,000.

To qualify, the system must be installed on property you own in New Mexico between May 15, 2024, and December 31, 2034. The year in which you claim the credit depends on when the local building authority certifies the system's final inspection.
Eligibility requires that the heat pump be fully operational, meet efficiency standards of at least a 3.4 COP or a 16 EER, and be installed by a certified professional recognized by IGSHPA or a similar authority. A successful inspection by the local building authority is also required.



Geothermal Ground-Coupled Heat Pump system

The application process is straightforward: after installation, you gather documentation such as proof of ownership, invoices, manufacturer performance ratings, installer certification, inspection reports, and system schematics. You then submit these through the Energy Minerals and Natural Resources Department's online portal. Within three to four weeks, you'll receive a Certificate of Eligibility, which you attach to your New Mexico income tax return when filing with the Taxation and Revenue Department.

It's important to note that the program has annual funding caps, so timely applications matter. If your submission is incomplete or non-compliant, it may be rejected, but you can correct and resubmit.

General Requirements

This program is designed to make geothermal energy adoption more affordable while ensuring systems meet efficiency and safety standards.

✅ **Who's Eligible**

- New Mexico property owners (residential or commercial).
- Products must be installed between May 15, 2024, and December 31, 2034.
- Available to New Mexico taxpayers who have installed a geothermal ground source heat pump.

🏠 **Qualifying Transaction**

- GHP must meet **efficiency standards**:
  - **EER ≥ 16** (Energy Efficiency Ratio)
  - **COP ≥ 3.4** (Coefficient of Performance)
- Installation was done by a certified installer who is certified through International Ground Source Heat Pump Association(IGSHPA) or similar.

📄 **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.

Quick Overview

Here's a step-by-step outline of the application process for the Geothermal Ground Coupled Heat Pump Tax Credit in New Mexico for projects installing Geothermal heat pumps (**GHPs**) Ground Source Heat Pump (**GSHP**).

Application Process Overview:

- Credit Amount: Refundable income tax credit of up to 30% of purchase + installation costs
- Maximum Credit: $9,000
- Applies To: Residences, businesses, and agricultural enterprises located in New Mexico
- Credit Year Determination: Based on the date the local building authority certifies a successful inspection
- Operational Status: System must be fully functional and in use
- Efficiency Standards: Must meet at least one of:
  - COP (Coefficient of Performance) ≥ 3.4
  - EER (Energy Efficiency Ratio) ≥ 16

Installation Requirement:

- Installed by a certified installer (IGSHPA or similar recognized authority)
- Must pass final inspection by local building authority

Assess Eligibility:

- Confirm system is installed between May 15, 2024 – Dec 31, 2034
- Verify system is operational and meets efficiency standards (COP ≥ 3.4 or EER ≥ 16)
- Ensure installation was done by a certified installer (IGSHPA or similar)
- Obtain final inspection approval from local building authority

Gather Required Documents:

This includes:

- Proof of property ownership (e.g., deed, mortgage, or tax bill)
- Itemized invoice with product and labor costs,
- Manufacturer documentation (model and performance ratings)
- Installer certification (IGSHPA or equivalent)
- Final inspection report
- System design schematic and technical specifications
- Any additional documentation requested by the EMNRD

Submit Application via Online Portal:

- Use the Geothermal Ground Coupled Heat Pump Tax Credit (GGCHP) portal provided by the Energy, Minerals and Natural Resources Department (EMNRD). Applications must be submitted electronically and supporting documents attached.

Receive Certificate of Eligibility:

- If approved, EMNRD will issue a certificate confirming your eligibility for the tax credit.

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

Prior to starting an application, please make sure to review your documentation for completeness before submitting it electronically. To be eligible for the Geothermal Ground Coupled Heat Pump Tax Credit Geothermal Ground Coupled Heat Pump must:

- ☐ System must be **connected to a geothermal system**
- ☐ Installed by a **certified installer** (IGSHPA or equivalent)
- ☐ Meets performance requirements (**COP ≥ 3.4 or EER ≥ 16**)

Application requirements for the Geothermal Ground Coupled Heat Pump Tax Credit:

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
  - Heat pump manufacturer and model number
  - Product performance ratings
- 🛠️ **Proof of inspection**
- **Installer certification** (IGSHPA or equivalent)
- ⭐ **Manufacturer documentation (model and performance ratings)**
  - **Performance specifications** , (COP ≥ 3.4 or EER ≥ 16)
  - Heat pump performance specification values.
  - Energy Star website equipment specification sheet showing complete model number.
  - Copy of Energy Star label for specific model installed product
- **System** design **schematic** and technical **specifications**
- **Any additional documents** the department requests to review the project

Accredited Installer

To qualify for the tax credit, the geothermal coupled heat pump (GSHP) system must be installed by an International Ground Source Heat Pump Association (IGSHPA)-accredited installer. Installer accreditation ensures credibility, technical competence, and compliance with industry standards.

Accepted Certification Programs:

- International Ground Source Heat Pump Association (IGSHPA)
- North American Technician Excellence (NATE), in partnership with IGSHPA

Directories for finding accredited installers and certified professionals check Business Member directory for companies offering heat pumps or ground loop installation services.

🏢 **IGSHPA Contact Information:**

Address: 312 S. 4th Street, Suite 100, Springfield, IL 62701
Email: info@igshpa.org
Website: https://igshpa.org
Business Member directory: https://igshpa.org/business-directory/

Performance Values

Geothermal heat pumps (GHPs),Ground Source Heat Pump (GSHP) must meet performance requirements (**COP ≥ 3.4 or EER ≥ 16**). To locate performance values, you may utilize a variety of websites. Locate your product and the model number to find the product performance value. Save an electronic copy of the performance value information to be used as a required supporting document.

Here is a practical approach you can follow to obtain performance value:
- **Identify Your Climate Zone**: Start with the Energy Star Climate Zone Map to determine the regional standards that apply to your location.
- **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/geothermal_heat_pumps

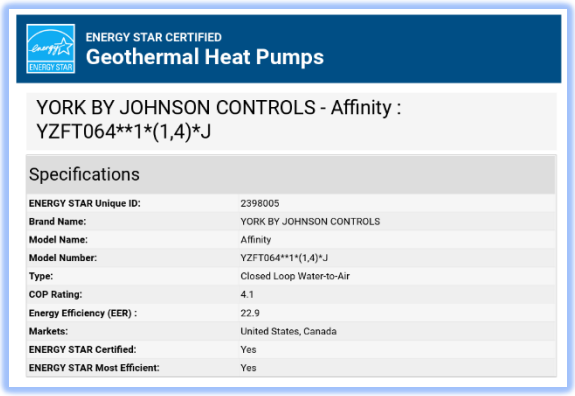
Air-Conditioning Heating Refrigeration Institute (AHRI)

AHRI Directory of Certified Product Performance Website:
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

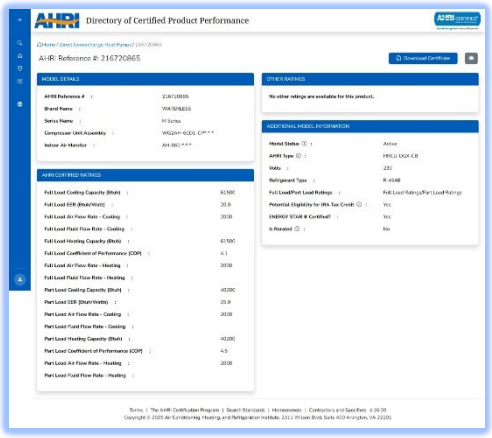
Heat pump performance rating certificate


ENERGY STAR CERTIFIED
Geothermal Heat Pumps

YORK BY JOHNSON CONTROLS - Affinity : YZFT064**1*(1,4)*J

Specifications

ENERGY STAR Unique ID:	2398005
Brand Name:	YORK BY JOHNSON CONTROLS
Model Name:	Affinity
Model Number:	YZFT064**1*(1,4)*J
Type:	Closed Loop Water-to-Air
COP Rating:	4.1
Energy Efficiency (EER) :	22.9
Markets:	United States, Canada
ENERGY STAR Certified:	Yes
ENERGY STAR Most Efficient:	Yes

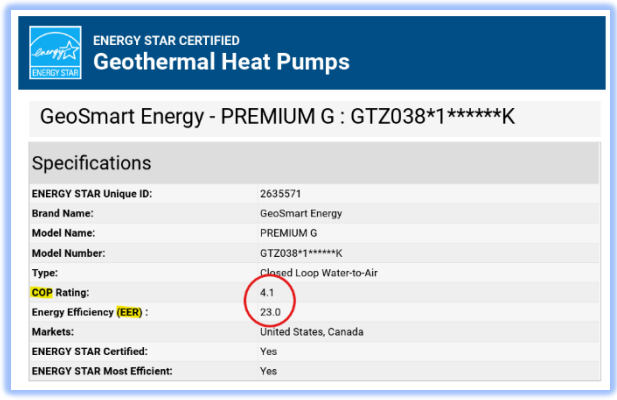

AHRI Directory of Certified Product Performance

AHRI Reference #: 216720865


AHRI CERTIFIED
Certificate of Product Ratings

AHRI CERTIFIED
www.ahridirectory.org

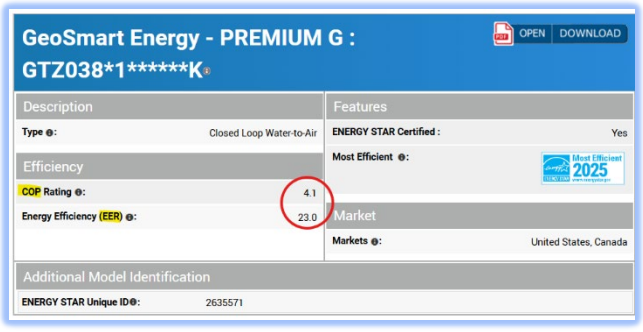
CERTIFICATE NO.:


ENERGY STAR CERTIFIED
Geothermal Heat Pumps

GeoSmart Energy - PREMIUM G : GTZ038*1******K

Specifications

ENERGY STAR Unique ID:	2635571
Brand Name:	GeoSmart Energy
Model Name:	PREMIUM G
Model Number:	GTZ038*1******K
Type:	Closed Loop Water-to-Air
COP Rating:	4.1
Energy Efficiency (EER) :	23.0
Markets:	United States, Canada
ENERGY STAR Certified:	Yes
ENERGY STAR Most Efficient:	Yes


GeoSmart Energy - PREMIUM G : GTZ038*1******K

OPEN DOWNLOAD

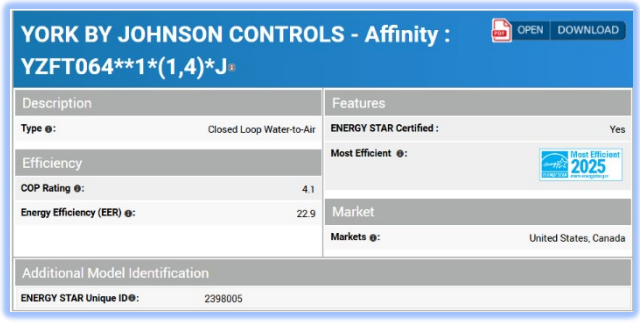
Description
Type: Closed Loop Water-to-Air

Features
ENERGY STAR Certified: Yes
Most Efficient: Most Efficient 2025

Efficiency
COP Rating: 4.1
Energy Efficiency (EER): 23.0

Market
Markets: United States, Canada

Additional Model Identification
ENERGY STAR Unique ID: 2635571


YORK BY JOHNSON CONTROLS - Affinity : YZFT064**1*(1,4)*J

OPEN DOWNLOAD

Description
Type: Closed Loop Water-to-Air

Features
ENERGY STAR Certified: Yes
Most Efficient: Most Efficient 2025

Efficiency
COP Rating: 4.1
Energy Efficiency (EER): 22.9

Market
Markets: United States, Canada

Additional Model Identification
ENERGY STAR Unique ID: 2398005

Performance Tables

Ground Source Heat Pump

To be eligible for Geothermal Ground Coupled Heat Pump Tax Credit the Geothermal heat pumps (GHPs),Ground Source Heat Pump (GSHP) must meet the following performance values:

(COP ≥ 3.4 or EER ≥ 16)

EER - Energy Efficiency Rating
COP - Coefficient of Performance

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

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. The higher the COP, the more efficient the system.

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 more cooling effect on every Watt of energy it consumes. To get an EER rating, 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).

Geothermal heat pumps (GHPs) are different from air-source heat pumps. GHP systems exchange heat from the earth, while air-source heat pumps exchange heat from the air.

Ground Source Heat Pump (GSHP), also known as GHPs, are among the most efficient and comfortable heating and cooling technologies currently available.

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 like 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 the taxes you owe, 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: www.CleanEnergy.nm.gov/

Entering Application

Prior to starting an application, please make sure to review your documentation for completeness before submitting it electronically. To be eligible for the Geothermal Ground Coupled Heat Pump Tax Credit the Geothermal Ground Coupled Heat Pump must:

- be **connected to a geothermal system**
- be installed by a **certified installer** (IGSHPA or equivalent)
- meet performance requirements (**COP ≥ 3.4 or EER ≥ 16**)

Pre-Submission Checklist

Application requirements for the Geothermal Ground Coupled Heat Pump Tax Credit:
Required Attachments for Application
This includes:

1. Proof of property ownership (e.g., deed, mortgage, or tax bill)
2. Itemized invoice with product and labor costs,
3. Manufacturer documentation (model and performance ratings)
4. Installer certification (IGSHPA or equivalent)
5. Final inspection report
6. System design schematic and technical specifications

- Any additional documentation requested by the EMNRD

Weblinks

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

Geothermal Ground Coupled Heat Pump Tax Credit Web Page:
https://www.emnrd.nm.gov/ecmd/tax-incentives/ggchp-tax-credit/

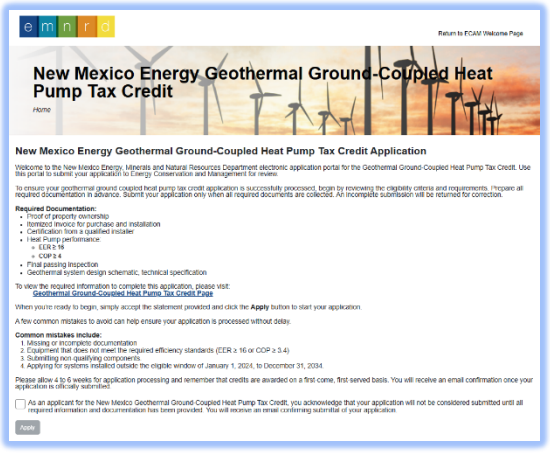
Geothermal Ground Coupled Heat Pump Tax Credit Application Submission Portal:
https://wwwapps.emnrd.nm.gov/ECAM/GeothermalGroundCoupledHeatPumpSubmissions/

Entering Application Portal

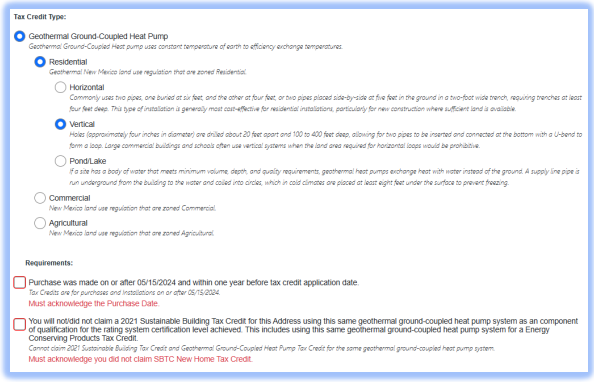
Landing page:

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

Apply

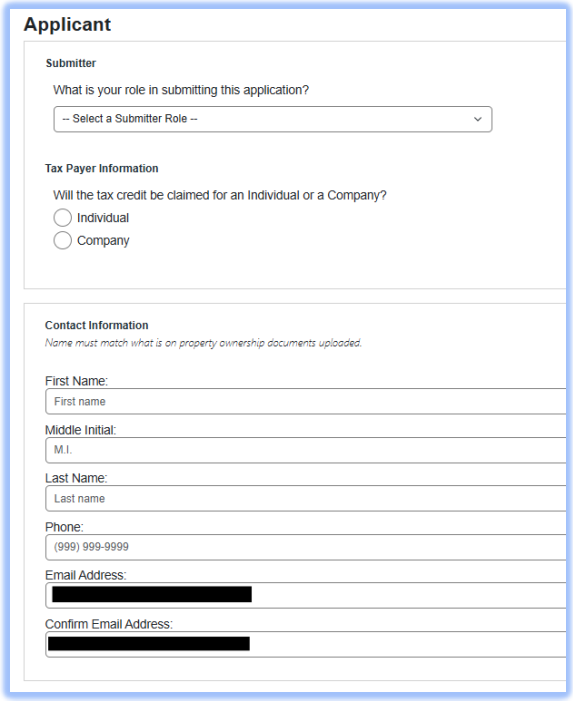


Project Description:



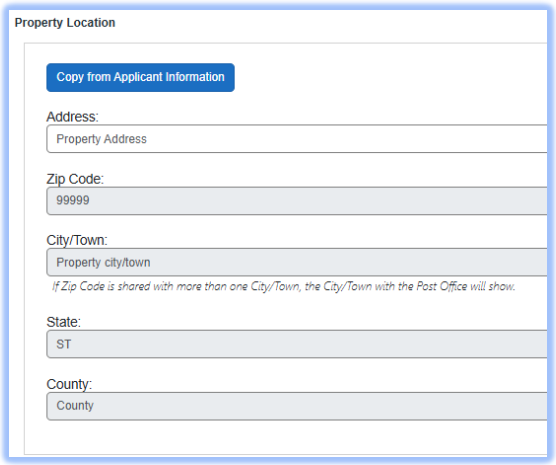
- Check the acknowledgement for your project type.
    a. Residential
    b. Commercial
    c. Agricultural
- Check the acknowledgements that purchase and installation:
    - occurred after 05/15/2024
    - application is within one calendar year of purchase and installation
- Check the acknowledgement that you did not use geothermal ground coupled heat pump system as a qualification for:
    - 2021 Sustainable Building Tax Credit
    - Energy Conserving Products Tax Credit
- Select **Continue**

Applicant Information:

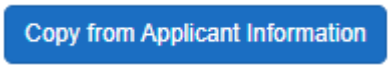


- Select Submitter Role:
    - Applicant
    - Third Party
- Select Taxpayer type:
    - Individual
        - Select whether the tax credit will be split between different individuals
        - Select if the tax credit split is between two married individuals filing separately.
    - Company
- Enter applicant's contact information.
- Enter applicants' address
    - Smart address selection will populate fields automatically.
- Select **Continue**

Property Location:

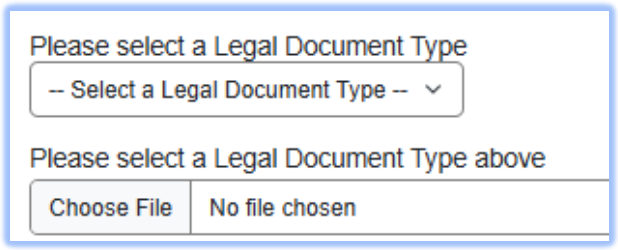


- **Select**
  - If the mailing address is same as the location of the geothermal heat pump system



Attach Property Legal Documents:

- Select from dropdown list the required document type to attach:
  - Property Deed
  - Property Tax Bill
  - Ground Lease
  - Property Transfer Document
- Select "**Choose File**" to search / locate your attachment file.



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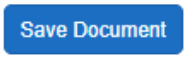
- Select the file to attach.
- Click "**Save Document**"

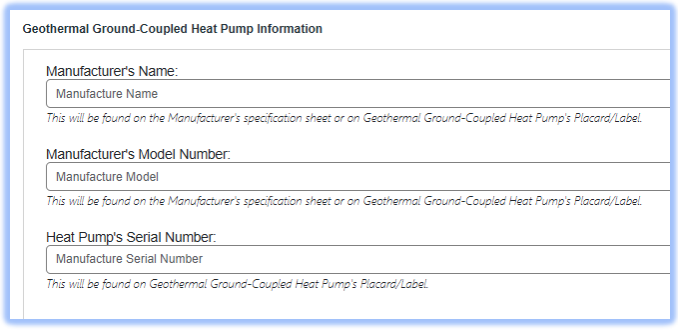


- Select **Continue**

Entering Product Information:

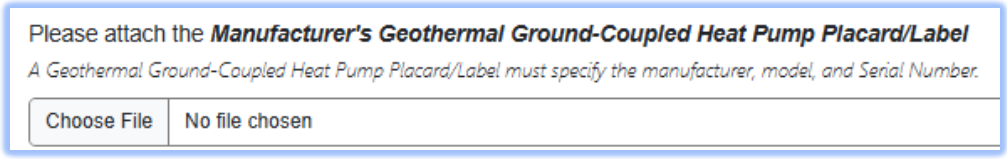
Information Geothermal Ground-Coupled Heat Pump

- Enter heat pump manufacturer name
- Enter heat pump model number
- Enter heat pump serial number



Heat Pump Manufacturer:

- Select "**Choose File**" to search / locate your attachment file.



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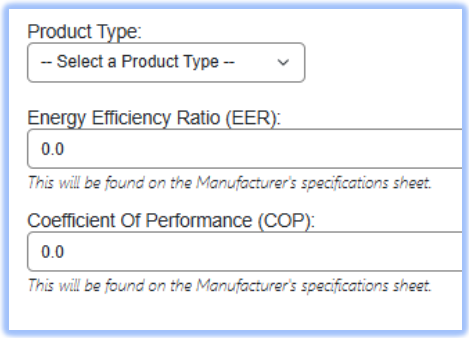
- Select the file to attach.
- Click "**Attach Document and Save Pump Information**"

- Select **Continue**

Geothermal Ground-Coupled Heat Pump Specification:

- Select from dropdown list the product type:
  - Water -to-Air GHP Closed Loop
  - Water-to-Air GHP Open Loop
  - Water-to-Water GHP Closed Loop
  - Water-to-Water GHP Open Loop
  - Direct Geo Exchange (DGX) to Air
  - Direct Geo Exchange (DGX)-to-Water
- Enter the Energy Efficiency Ratio (EER):
- Enter the Coefficient Of Performance (COP):



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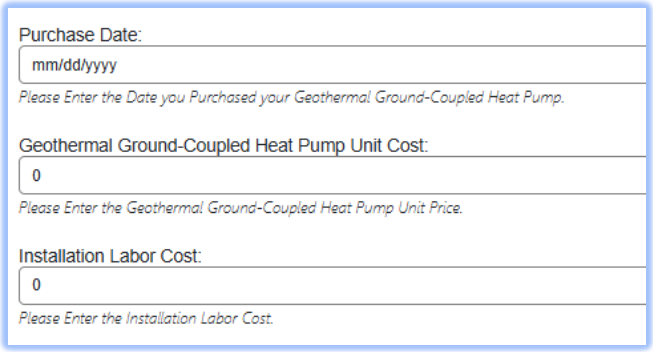
- Select the file to attach.

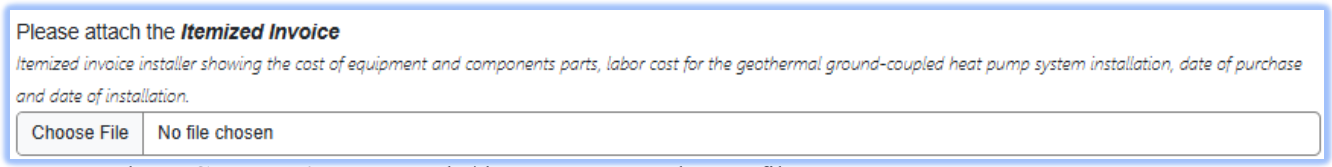
Click "**Attach Document and Save Pump Information**"

Select **Continue**

Purchase:

- Enter Purchase Date
- Enter heat pump cost
- Enter Installation Cost





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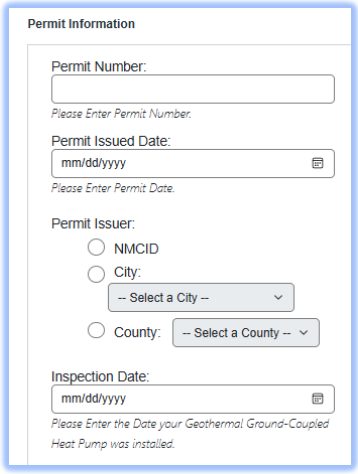
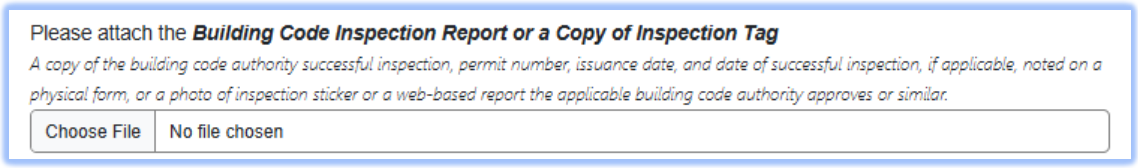
- Select the file to attach.
- Click "**Attach Document and Save Purchase Information**"
- Select **Continue**

Installation:

- Enter the successful final inspection permit #
- Enter the permit issue date
- Select the building authority that issued the permit
- Enter the date of the successful passing inspection





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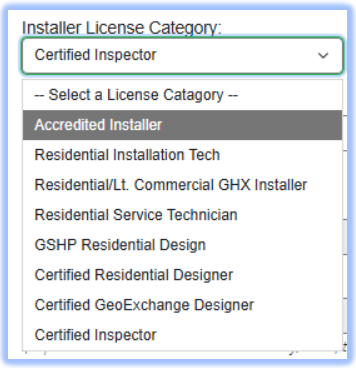
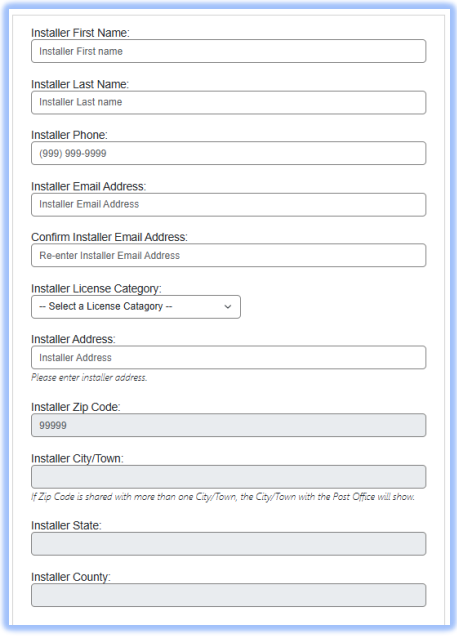
- Select "**Choose File**" to search / locate your attachment file.
- Select the file to attach.
- Click "**Attach Document and Save Permit Information**"
- Select **Continue**

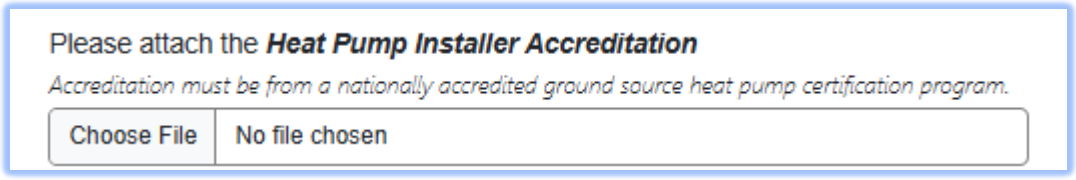
Installer Information:

- Enter Installer name, phone, and email address.
- **Select license category from drop down list:**



- Enter the installer's address





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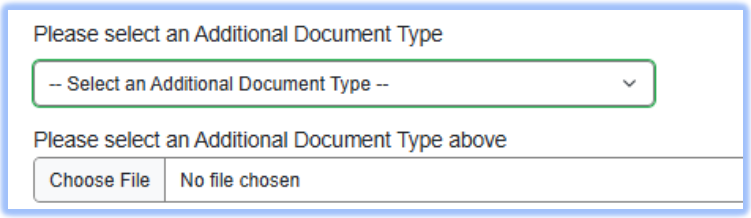
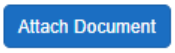
- Select "**Choose File**" to search / locate your attachment file.
- Select the file to attach.
- Click "**Attach Document and Save Installer Information**"
- Select **Continue**

Additional Documents:



The following file types are allowed: *.bmp .doc .docx .gif .jpg, .jpeg .odp .ods .odt .pdf .png .ppt .pptx .svg .tiff .xls .xlsx*

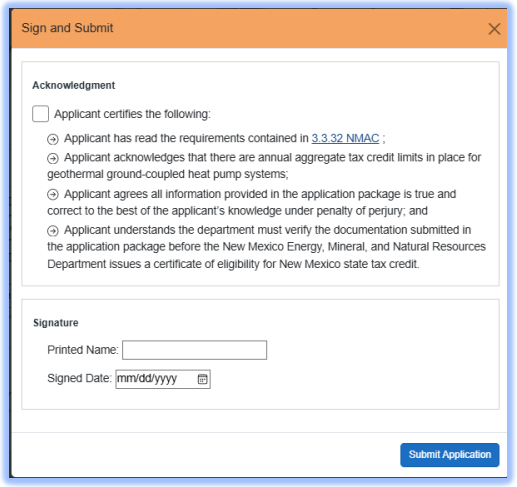
- Select drop down menu and select additional documents:
  - Select your geothermal ground coupled heat pump system design schematic
- Select "**Choose File**" to search / locate your attachment file.
- Select the file to attach.
- Click "**Attach Document**"



- Select **Sign**

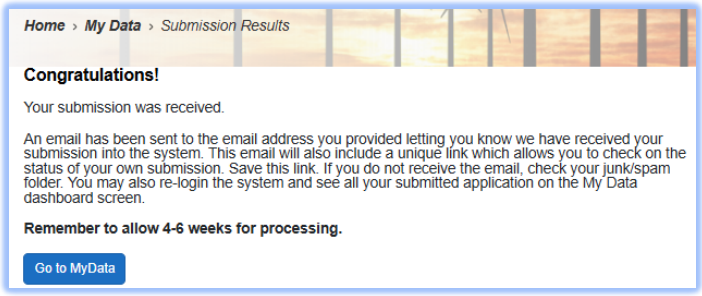
Sign and Submit

- Check acknowledgement.
- Enter applicant name
- Date
  - Select **Submit Application**



Successful 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."

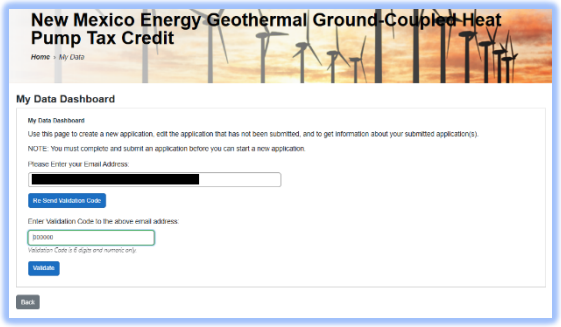
If you do not receive an acknowledgement email, please check email spam/junk file.

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

Returning Applicant

- A returning applicant will be prompted to enter their email address. Please use the same email address you provided in the original application.
- A PIN number will then be sent to that email address to recover existing application data

- Check your email address for PIN number
- Enter the pin



You will arrive to "**My Data Dashboard**"

Required Documentation Breakdown

1. Proof of Property Ownership
- **What it is:** Deed, title, or property tax statement showing your name and address.
- **Where to get it:** County assessor's office, title company, or your mortgage provider.

2. Itemized Invoice for Purchase and Installation
- **What it is:** A detailed bill listing:
  - Equipment purchased (model, brand)
  - Labor costs
  - Dates of service
- **Where to get it:** From the contractor or installer who performed the work.

3. Certification from a Qualified Installer
- **What it is:** A signed document or license number verifying the installer is certified to install geothermal systems.
- **Where to get it:** Ask your installer for their certification or license documentation.

4. Heat Pump Performance Requirements
- **EER ≥ 16**
- **COP ≥ 3.4**
- **What it is:** Manufacturer's technical specification sheet or AHRI certificate showing these ratings.
- **Where to get it:** From the manufacturer, installer, or AHRI directory.

5. Final Passing Inspection
- **What it is:** Official inspection report or certificate from your local building department.
- **Where to get it:** Contact your city or county permitting office.

6. Geothermal System Design Schematic & Technical Specification
- **What it is:** Engineering drawings and system specs including:
  - Loop configuration
  - Heat pump model
  - Flow rates and capacity
- **Where to get it:** Provided by your system designer or installer.

Incentives

New Mexico is really stepping up when it comes to energy efficiency and sustainability. Here's a quick breakdown of some of the other 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- -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: www.CleanEnergy.nm.gov/

Claim Tax Credit

Once you have received your Certificate of Eligibility from the Energy, Minerals, and Natural Resource Department (EMNRD) you may then claim your *Geothermal Ground Couple Heat Pump Tax Credit* with Taxation Revenue Department. For questions regarding this claim process, please contact the Taxation and Revenue Department.

The process for claiming the Geothermal Ground Couple Heat Pump Tax Credit in New Mexico:

1. **Locate your Certificate of Eligibility** from the EMNRD. This document confirms you're approved to claim the tax credit.
2. **Complete PIT TRD-41426 / CIT TRD-41427** and attach it to your tax return. This is the official claim form for the tax credit.
   - If your credit **exceeds the amount you owe in taxes**, you may be eligible for a **refund**.

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

Upgrades/Expansions

A geothermal ground-coupled heat pump system's main component sections are Ground Loop System, Heat Pump Unit, Distribution System, Control System, Auxiliary Components. For tax credit eligibility, the **new replacement heat pump** is the critical piece. To be eligible an upgrade or expansion of an existing geothermal ground-coupled heat pump system may qualify for a tax credit, provided that the project includes the installation of a new replacement heat pump as a component of the system. Other upgrades or expansions can be included, but without the new heat pump, the project doesn't qualify.

Tax Credit Eligibility for Upgrades/Expansions

- **Requirements:**
  - To qualify for a tax credit, the project must include installation of a new replacement heat pump unit as part of the system.
- **Implication:**
  - Simply upgrading auxiliary components (like pumps or controls) or expanding the ground loop without replacing the heat pump would not meet eligibility criteria.
  - The replacement heat pump is the qualifying component that triggers tax credit eligibility.
- **Practical Example:**
  - If you expand the ground loop to improve efficiency **and** install a new heat pump unit, the project may qualify.
  - If you only add more loop piping or upgrade controls, it likely won't qualify.

Inspection Disclaimer

To ensure compliance with 3.3.32 or 3.4.19 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: 2024.

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

A: The following types of files are allowed: .bmp .doc .docx .gif..jpg .jpeg .odp .odt .ods .pdf .png .ppt .pptx .svg .tiff. We cannot accept HEIC files (Apple Image files).

Q: Can I scan and attach one document?

A: Yes. However, since the online portal will expect multiple attachments. An applicant who scans all documents as one document must attach it multiple times.

Contact Information

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

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 applications and certificate of eligibility:

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/