ENERGY CONSERVATION AND MANAGEMENT

State of New Mexico

Energy, Minerals and Natural Resources Department (EMNRD)

Energy Conservation and Management (ECAM)

New Solar Market Development Tax Credit (NSMDTC)

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Introduction

New Mexico taxpayers, businesses, and agricultural enterprises who purchase and install photovoltaic solar energy systems or solar thermal energy systems on property they own are eligible for a state tax credit in the tax year the system is installed.

Program Funding

- This applies to taxable years from **March 1, 2020, through December 31, 2031**.
- Applications received after the cap is met will be returned and cannot roll forward to future years.

Credit Details

- Credit covers **up to 10%** of equipment, materials, and labor costs.
- Maximum credit per system: **$6,000**.
- Certified costs are based on the **net cost** of acquiring the system, excluding disallowed costs (per 3.3.14.15 C NMAC).
- Fund year is determined by the **date of successful inspection** by the building code authority.
- Credits may be **sold, exchanged, or transferred** to another taxpayer.
- Credits exceeding liability are **refundable**.

Application Process

- **Paper applications are no longer accepted.**
- Applicants must file an **electronic application** with supporting documents to the Energy Minerals and Natural Resources Department (EMNRD):
    - Deadline: within **one calendar year** of the taxable year of installation, or until the fund year cap is reached.
    - Incomplete or non-compliant applications will be disapproved and must be resubmitted as new applications.

Submission & Certification

- Upon submission, applicants receive; an acknowledgement message confirming successful submission.
- Processing time: **3–4 weeks** for completed applications.
- Certificates of eligibility are sent **electronically** to the email address provided.

By participating, you're helping New Mexico transition to a cleaner, more sustainable future.

How Solar Panels Work?

How Solar Panels Work (Simplified)

- **Photovoltaic cells:** Convert sunlight into electricity by freeing electrons from atoms.
- **DC vs. AC:** Panels produce direct current (DC), but homes use alternating current (AC). Inverters bridge this gap.

The good news is that Solar panels aren't new technology, they aren't that complicated. Solar panels contain photovoltaic cells. When faced toward sunlight, these cells collect the sun's energy and transform it into electrical charges. During this process, photons (the light particles) knock electrons off of atoms, creating an electric flow.

The electricity produced by this process is direct current, or "DC." The problem is that our electrical systems use alternating current, or "AC." For this reason, solar systems require inverters to turn DC into usable AC electricity. This inverter is installed between the solar panels and the home's electrical system.

Solar panels aren't mysterious; they are leading-edge in their simplicity. In the sunny state of New Mexico with strong net metering programs, homeowners may slash their bills but also make money from their panels. In some cases, the solar system may be wired directly into the home's grid, allowing the user to back feed energy to the utility company, often for a profit.

Solar Power Systems Overview

Types of Photovoltaic (PV) Systems Eligible for Certification

1. Direct-Power Systems (No Battery Storage)
- Supply power directly from solar modules to connected loads.
- Do not include any form of energy storage.

2. Utility-Grid–Interconnected Systems (No Battery Storage)
- Grid-tied systems that feed solar-generated electricity into the utility grid.
- Batteries are not included in this configuration.

3. Stand-Alone Systems with Battery Storage
- Off-grid systems that operate independently of the utility grid.
- Rely entirely on batteries for energy storage and nighttime/dull-day operation.

4. Stand-Alone Systems with Utility Backup (No Battery Storage)
- Off-grid systems that primarily use batteries but can switch to the utility grid when needed.
- Provide additional reliability for remote or variable-load applications.

5. Water-Pumping PV Systems
- Designed specifically to power water pumps using solar energy.
- Common in agricultural and remote-site applications.

Important Cost Restriction
- **Standalone battery power is not an allowable cost for grid-tied utility solar energy systems.**

Components of a Home Solar Energy System

1. Solar Photovoltaic Panels
- Typical residential panels: **80W, 100W, or 120W**.
- Multiple panels are wired together to form a solar array that meets the home's energy needs.

2. Solar Power System Disconnects
- A safety switch that isolates the solar array from the rest of the system.
- Essential for maintenance, troubleshooting, and emergency shutdowns.

3. Battery Charge Controller
- Regulates the flow of electricity to the batteries.
- Prevents **overcharging** and stops batteries from discharging back into the system at night.

4. Deep Cycle Battery Storage
- Stores excess solar energy for use at night or during cloudy conditions.
- Designed for repeated charging and discharging cycles.

5. System Power Metering
- Measures the amount of solar power produced and supplied to the home.
- Useful for monitoring system performance and energy savings.

6. Solar Power System Inverter
- Converts **DC power** from the solar panels into **AC power** used by household appliances.
- A required component for any system powering standard home circuits.

7. Backup Power (Optional)
- Provides energy when solar production is low and batteries are depleted.
- In grid-tied systems, the **utility grid** typically serves as the backup source.

Quick Overview

Here's a step-by-step outline of the application process for the New Soar Market Development tax credit for solar energy installation in New Mexico.

Application Process Overview

1. **Assess Eligibility**
   Purchase and install an operating solar energy system.
2. **Gather Required Documents**
   Obtain the required paperwork from installation contractor. This includes:
   - Proof of property ownership (e.g., deed or tax bill)
   - Itemized invoice with product and labor costs
   - Inspection reports (if applicable)
   - Site Plan: Design schematic and technical specifications
   - Any additional documentation requested by the EMNRD
3. **Submit Application via Online Portal**
   Use the portal provided by the Energy, Minerals and Natural Resources Department (EMNRD) to apply for tax credit. 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 Documents

A completed application package shall be electronically submitted with the following required documents. The application package shall meet 3.3.14 NMAC's requirements, partial applications will not be accepted. If an application package fails to meet a requirement, the department shall disapprove the application.

Required Documents:

- A current property tax bill or other equivalent proof of ownership in the applicant's name for the residence, business, or agricultural enterprise where the solar energy system is installed. If there are multiple owners of the property where the solar energy system is installed a joint application must be submitted. 3.3.14.9 E. (1) NMAC
- The equipment, materials, and labor costs of a solar energy system the department certifies shall be documented by an itemized invoice. 3.3.14.9 E. (2) NMAC
- Building Code Inspection report that includes the building code authority's permit number and date of successful passing inspection of the solar system. Applicants may submit a physical form, or photo of inspection sticker, or a web-based report. An electrical permit is preferred. 3.3.14.9 F. (6) NMAC
- Site Plan: the solar energy system's design schematic **and** technical specifications 3.3.14.9 E (3) NMAC
  - Site plan, which is a bird's eye view of solar system design.
  - Technical specification is one-line or three-line electrical wiring connection

Disallowed Costs

The cost of a solar energy system the department certifies shall be the net cost of acquiring the system and shall not include the following:

3.3.14.14

C. The cost of a solar energy system the department certifies shall be the net cost of acquiring the system and shall not include the following:

(1) expenses, including but not limited to:

(a) unpaid labor or the applicant's labor;

(b) unpaid equipment or materials;

(c) land costs or property taxes;

(d) costs of structural, surface protection and other functions in building elements that would be included in building construction if a solar energy system were not installed;

(e) mortgage, lease or rental costs of the residence, business or agricultural enterprise;

(f) legal and court costs;

(g) research fees or patent search fees;

(h) membership fees;

(i) financing costs or loan interest;

(j) marketing, promotional or advertising costs;

(k) repair, operating or maintenance costs;

(l) warranty or extended warranty costs;

(m) system resale costs;

(n) system visual barrier costs;

(o) adjacent structure modification costs for building structures such as portals, garages, or pergolas to hold solar panels, or costs for modification or roof repair to hold solar panels;

(p) vegetation maintenance costs including tree trimming;

(q) contractor or inspector travel, mileage, or overnight hotel stays;

(r) recreational vehicle or hot tub ports;

(s) trenching exceeding 50 feet;

(t) donations to food banks on the applicant's behalf;

(u) system critter guard;

(v) non-descriptive miscellaneous items; and

(w) excess battery storage that is not consistent with industry standards;

(2) income, including:

(a) payments the solar energy system contractor or other parties provide or receive that reduce the system cost, including rebates, discounts, grants and refunds, except for federal tax credits;

(b) services, benefits, or material goods the solar energy system contractor or other parties provide by the same or separate contract, whether written or verbal.

D. The department shall make the final determination of the net cost of a solar energy system the department certifies pursuant to 3.3.14 NMAC.

Entering Application

Before you begin:
For consistency and ease, please use the following naming convention to prepare your documents by naming each attachment:

1. Property Tax
2. Permitting
3. Invoice
4. Site Plans

Pre-Submission Checklist

Application requirements for the New Solar Market Development Tax Credit:
Required Documents:

- **Proof of Ownership**
  - Current property tax bill or equivalent proof of ownership in applicant's name.
  - If multiple owners exist, a **joint application** must be submitted.
  - *Reference: 3.3.14.9 E. (1) NMAC*
- **Itemized Invoice**
  - Documentation of equipment, materials, and labor costs for the solar energy system.
  - Must be certified by the department.
  - *Reference: 3.3.14.9 E. (2) NMAC*
- **Building Code Inspection Report**
  - A building code authority's permit number and date of successful inspection.
  - Acceptable formats: physical form, photo of inspection sticker, or web-based report.
  - Electrical permit is preferred.
  - *Reference: 3.3.14.9 F. (6) NMAC*
- Site Plans: **System Design & Technical Specifications**
  - Copy of the solar energy system's design schematic (site plan)
  - Copy of the solar energy system technical specifications. (one line diagram, or three-line diagram)
  - *Reference: 3.3.14.9 E. (3) NMAC*

Weblinks

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

New Solar Market Development Tax Credit (NSMDTC) Web Page:
https://www.emnrd.nm.gov/ecmd/tax-incentives/solar-market-development-tax-credit-smdtc/

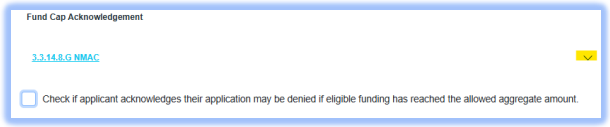
New Solar Market Development Tax Credit Application Submission Portal:
https://wwwapps.emnrd.nm.gov/ECAM/NSMDSubmissions/

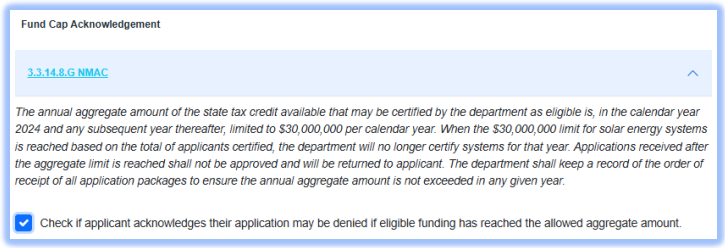
Start application

Landing Page

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

Application Prerequisites

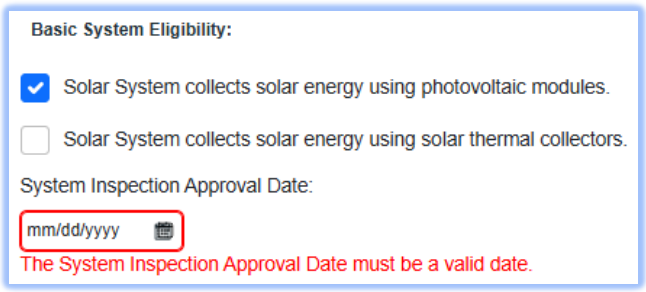




- Check Fund Cap acknowledgement box.

If the annual limit for solar energy systems is reached based on the total of applicants certified, the department will no longer certify systems in that year.

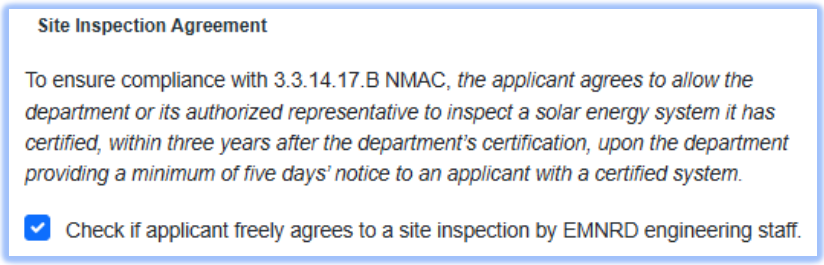
- Select type of Solar System installed.
- Enter date of a successful final inspection permit



Building Code Inspection report:
The building code authority's permit number and date of successful passing inspection, either noted on a physical form, or photo of inspection tag or a web-based report.

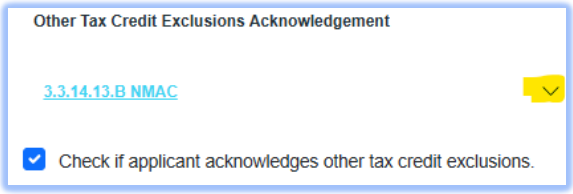
Contact ECMD for instructions: how to claim costs related to a solar thermal system.

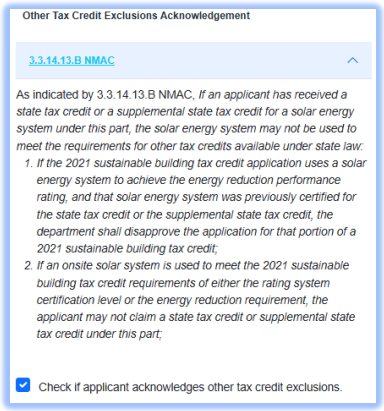
- Check Site Inspection Agreement acknowledgement box.



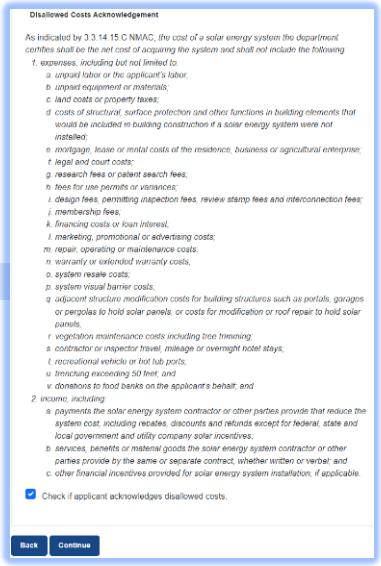
Other Tax Credit Exclusions

- Check Other Tax Credit Exclusions Acknowledgement box.





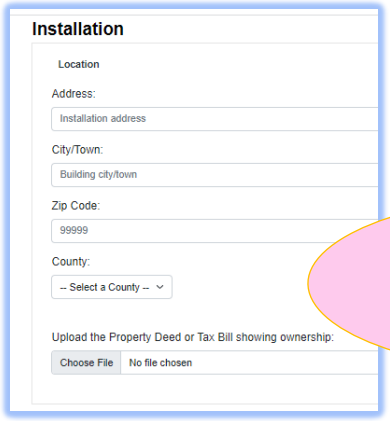
- Check Acknowledgement of Disallowed Cost box
  EMNRD may approve up to 10% net cost of acquiring system.



- Select **Continue**

Installation

- Enter the solar system project location address.
- Upload proof of ownership:
  - *Property Tax bill,*
  - *Property Valuation,*
  - *Warranty Deed,*
  - *or other proof of ownership*



- Do not drag and drop attachment files.
- HEIC files are not compatible with portal.

Building Code Authority

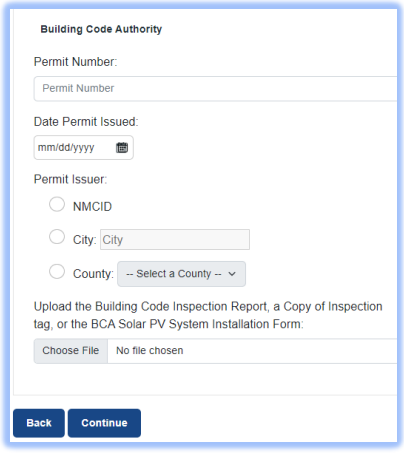
The building code authority's permit number, and date of successful passing inspection.

- Enter permit number.
- Enter date of a successful final inspection permit.
- Enter permit issuer.
- Upload a copy Building Code Inspection report.
- *Preferred: Electrical permit*

Allowable documents:

- *a physical form,*
- *or photo of inspection sticker/tag/label*
- *or a web-based report showing date of successful final approval.*

The date of a successful final inspection permit determines fund year of eligibility.

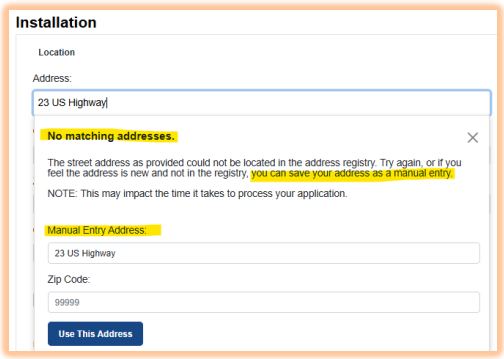


- Select **Continue**

? Address not Found

If the smart address does not predict your address for autofill.

You can override the system and manually enter your address.

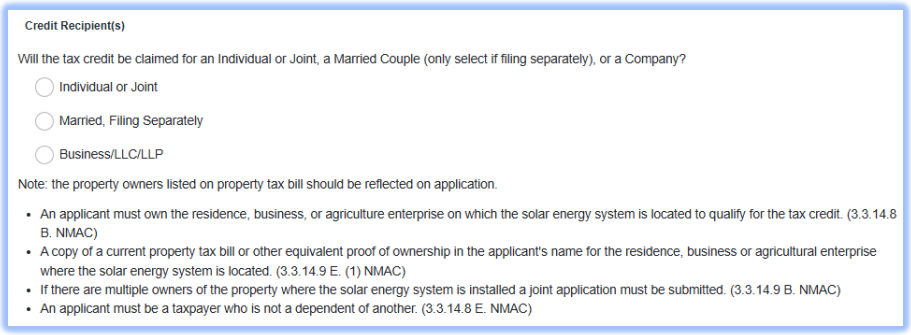


- Please enter the non-verified address
- Select **Use This Address**

Once selected,
the system will accept the address you entered
and allow you to continue.

Applicants

- Select your filing status:



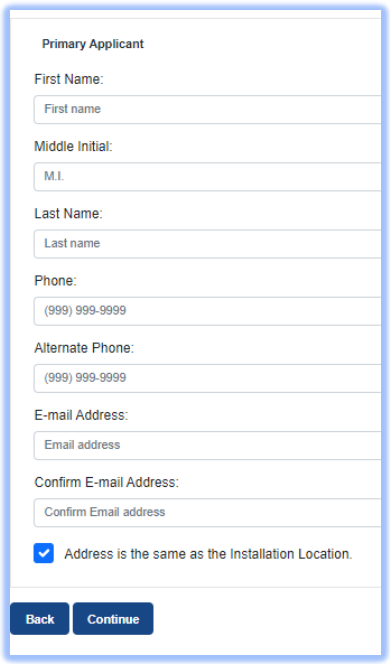
The property owners' names on property tax bill should be reflected on application.

Individual or Joint: *The primary applicant's name on Certificate of Eligibility.*
Married, filing separately: *Each applicant.is awarded 50% ownership of split Certificates of Eligibility*
Business LLC/LLP: *The legal business entity is issued Certificate of Eligibility*

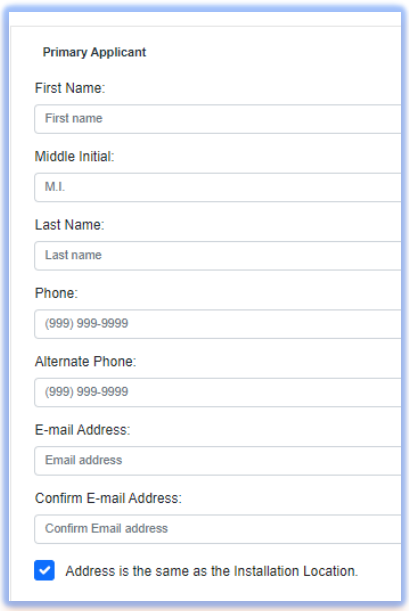
Note: the property owners listed on property tax bill should be reflected on application.

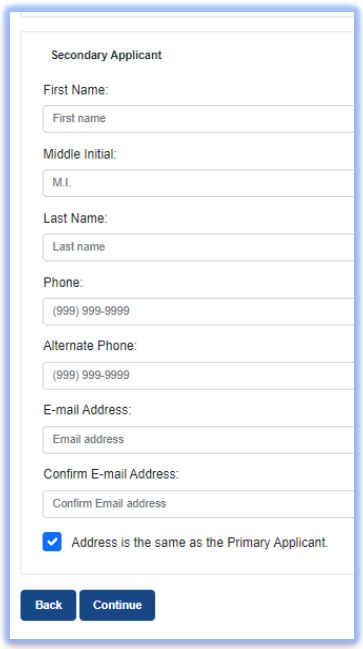
- *An applicant must own the residence, business, or agriculture enterprise on which the solar energy system is located to qualify for the tax credit. (3.3.14.8 B. NMAC)*
- *A copy of a current property tax bill or other equivalent proof of ownership in the applicant's name for the residence, business or agricultural enterprise where the solar energy system is located. (3.3.14.9 E. (1) NMAC)*
- *If there are multiple owners of the property where the solar energy system is installed a joint application must be submitted. (3.3.14.9 B. NMAC)*

Individual or Joint Filing



Filing Separately



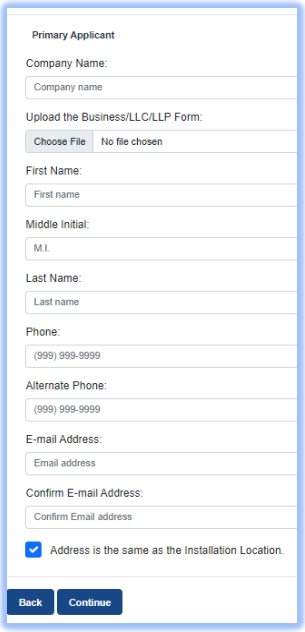


- **Enter Primary applicant contact information.**

This information will appear on the Certificate of Eligibility.

- If the mailing address is the same as installation location, leave box checked.
- Uncheck box if mailing address is different than solar system project location address.
- Select **Continue**

Business/LLC/LLP



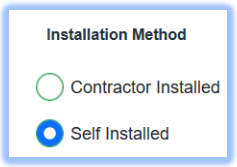
- **Enter Primary applicant contact information.**

This information will appear on the Certificate of Eligibility.

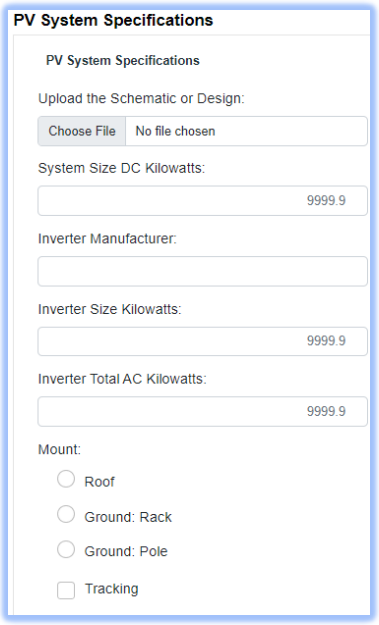
- If the mailing address is same as location, leave box checked.
- Uncheck box,
  if mailing address is different than solar system project location address.
- Select **Continue**

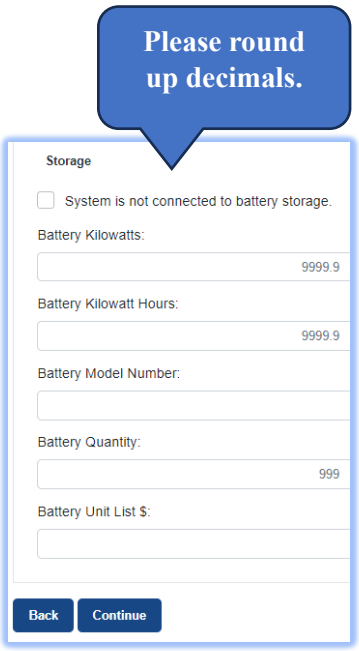
System Installer (Self Installed)

- Please select who installed solar system.



Self-Installed





- **Upload** Site Plans: Schematic or Design

*The solar energy system's design schematic **and** technical specifications (3.3.14.9 E (3))*

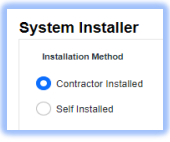
- Enter photovoltaic system information.
- Enter battery storage information.

Check box if solar system is not connected to battery storage.

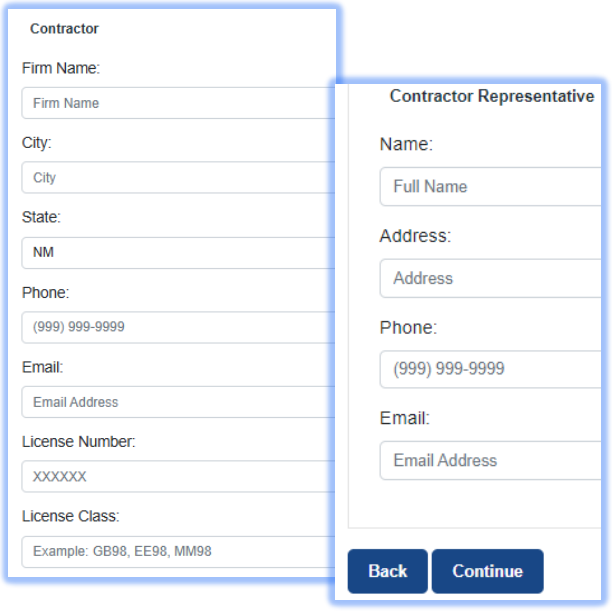
- Select **Continue**

System Installer (Contractor Installed)

- Please select who installed solar system.



Contractor Installed



- Enter contractor company information.
- Select **Continue**

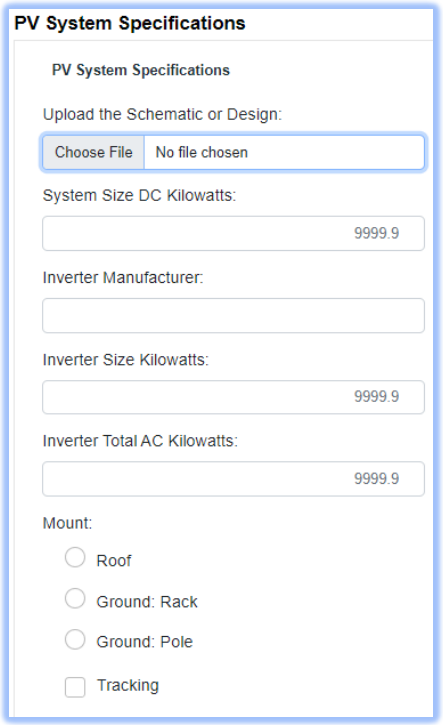
Photovoltaic System Specifications

- **Upload** Site Plans: Electrical Schematic **and** Design

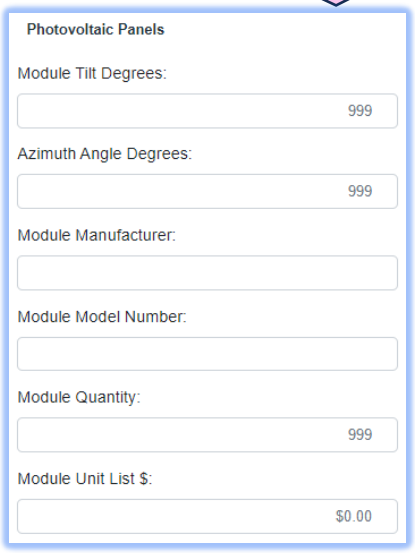
Solar system's design and schematic sheet.

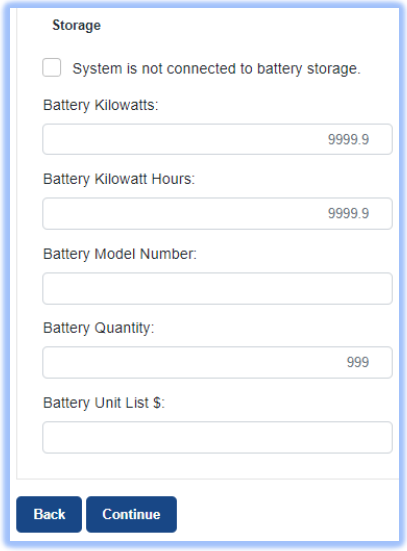
- Enter photovoltaic system information.
- Enter battery storage information.
  - Or Check box, if solar system is not connected to battery storage.

- Select **Continue**



⚠ Warning: The system does not accept decimal values. Please round all numbers to the nearest whole number to avoid errors.





System Cost

Upload itemized invoice.

The equipment, materials, and labor costs of a solar energy system.

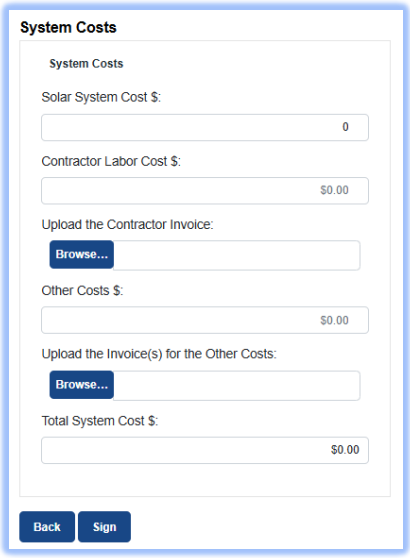
Solar system:

+ Equipment and material cost
+ Installation labor cost
+ Other invoice costs
= Total system cost

Solar tax credit may be awarded for **up to 10%** of total system costs.

Notice: *Certain fees may reduce the amount of tax credit awarded. (See disallowed costs 3.3.14.15 NMAC)*

Do not enter zero as an invoice amount.



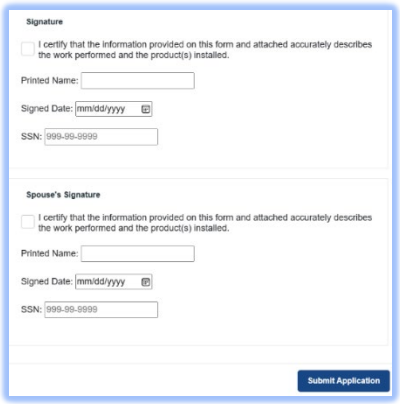
Sign and Submit

Sign and Submit

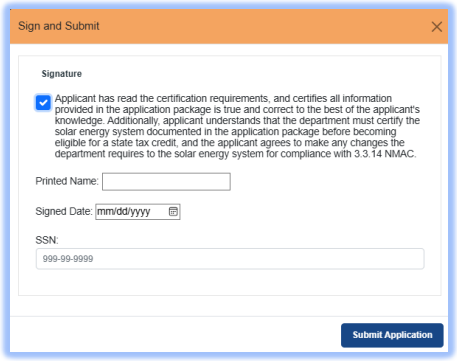
- Check acknowledgement.
- Enter name.
- Enter date.
- Select **Submit Application**

Please take extra care when entering your taxpayer ID. Errors may cause delays in processing your tax credit claim or refund.

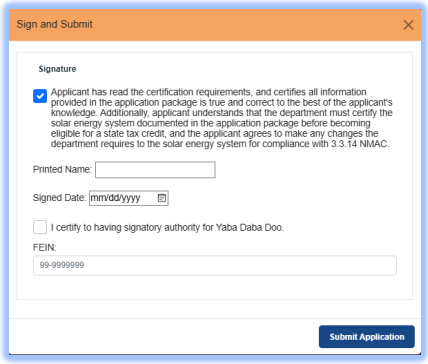
Married filing separate
Split certificate



Individual Applicant / Married filing jointly



Business Applicant



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

Congratulations!

Your submission was received.

An email message has been sent notifying submission receipt. The email will also include a unique link which allows you to check the status of your submission. If you do not receive the email, check your junk/spam folder. Please allow 3 to 4 weeks to process completed application.

The building code authority date of a successful inspection permit will determine the fund year of the solar energy system. The Department shall disapprove an application that is not complete or does not meet the approval criteria. If the tax credit fund cap has been reached, the applicant will be notified that their application is not certified and will not be issued a tax credit.

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.

Expansions / Upgrades

Key requirements for expansions of an existing system follow 3.3.14.13 NMSA. Solar energy systems or their portions that the department may certify shall be made of new equipment, components, and materials. An expansion of an existing solar energy system, end use annual energy production of the new system shall be increased in comparison to the existing system by a minimum total array power output of 100 watts direct current.

Module power sold in Watt-hour

How to Convert Watt-hour to Kilowatt-hour

1 W*h = 0.001 kW*h
1 kW*h = 1000 W*h

Example: convert 15 W*h to kW*h:
15 W*h = 15 × 0.001 kW*h = 0.015 kW*h

Purchase Power Agreements (PPA)

Power Purchase Agreements (PPA) are **disallowed** in the context of solar energy system certification. In the New Solar Market Development tax credit program, systems must be owned by the applicant (homeowner or business) rather than leased under a PPA.

- A **PPA** means a third party owns the system, and the customer buys electricity from them.
- Because the customer doesn't own the equipment, they cannot claim certification or tax credits.

Tax Credit Fund Limitations

The annual aggregate amounts of the state tax credit available to applicants owning certified solar energy systems is limited to $30,000,000 per calendar year. When the $30,000,000 limit for solar energy systems is reached based on the total of applicants certified, the department will no longer certify systems in that year. Applications received after the aggregate limit is reached shall not be approved and will be returned to applicant. (3.3.14.8 C. NMAC)

If a state tax credit is not available in the calendar year when the application was submitted, the applicant is notified the program has reached the tax credit cap and their application is not certified. (3.3.14.10 C. NMAC)

Tax Credit Fund Balance

New Solar Market Development Tax Credit Dashboard link:
https://www.emnrd.nm.gov/ecmd/tax-incentives/solar-market-development-tax-credit-smdtc/

The Energy Conservation and Management Division (ECMD) collects data pertaining to New Solar Market Development tax credit incentive program. The Dashboard is compiled from real time data collected by EMNRD through the tax credit application process. This dataset shows the current annual amount and total tax credit amount approved for the year. It includes only tax credits that have been formally approved. The information represents a sample of distributed solar energy systems being installed across the state of New Mexico.

Sunset Years

Don't miss out on valuable incentives that support clean energy and reduce your costs.

Important: Solar Tax Credit Deadlines

Application Rule

- A taxpayer must apply to the department within 12 months following the calendar year in which the system was installed.

Missed Deadlines (2020–2024)

- The qualification period for solar installations completed between **2020 and 2024** has passed.
- Applications for those years had to be submitted by December 31, 2025.
- Installations completed between 2020 and 2024 are no longer eligible.
- EMNRD will not accept application for the New Solar Market Development Tax Credit after December 31, 2025.

Current Eligibility (2025–2031)

- The New Solar Market Development tax credit remains in effect for solar energy systems installed **2025 through 2031**.
- Each installation year has its own filing deadline:
    - Example: If your system is installed in **2025**, your application must be submitted by **December 31, 2026**.
    - If installed in **2026**, apply by **December 31, 2027**, and so on.

Definitions

Azimuth Angle: For a fixed array, the azimuth angle is the angle clockwise from true north describing the direction that the array faces. An azimuth angle of 180° is for a south-facing array, and an azimuth angle of zero degrees is for a north-facing array. For an array with one-axis tracking, the azimuth angle is the angle clockwise from true north of the axis of rotation. The azimuth angle does not apply to arrays with two-axis tracking and a zero (0) should be entered into the field. Typical azimuth angles for New Mexico could be from 135 degrees to 225 degrees. For systems where there are multiple modules on different roof faces, use the roof face that has the most modules for the azimuth angle. For arrays where half of the modules face east and half of the modules face west, use the azimuth for the western face, in this case, 270 degrees.

Inverter Size kW: The capacity of the inverter. For a microinverter on a module, the size would be the Watts divided by 1000. Example: a 240-Watt micro-inverter would be 0.24 kW. For a single large inverter, enter the capacity of that inverter. A 7,000-Watt inverter would be entered as 7.0 kW. This field does not record the total capacity of a microinverter system, but the individual capacity of one micro-inverter.

Battery kW: Enter the capacity of the storage system that is part of the photovoltaic system. Example: If there are three 400-Watt battery modules in the system, then the capacity number to enter is calculated as 3 X 400 / 1000 = 1.2 kW. If the system uses a single battery system, then the capacity of that large system in kW would be entered. If the system uses individual cells, then the capacity in kW should be provided by the contractor or installer.

Battery kWh: The energy capacity of the storage system in kilowatt hours. The installer or contractor should provide this information from the battery system vendor. An example is a 1 kW capacity storage system that can operate for 4 hours. This is a 1 X 4 = 4 kWhr system.

Inspection Disclaimer

To ensure compliance with 3.3.14 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.

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 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/

Tax Credit Claim

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

Questions regarding this process, please contact the Taxation and Revenue Department. The process for claiming the New Solar Market Development Tax Credit in New Mexico, and it has a few moving pieces, let's break it down a bit:

1. **Start with your Certificate of Eligibility** from the EMNRD. This document confirms you're approved to claim the tax credit.
2. **Complete Form TRD-41406** and attach it to your tax return. This is the official claim form for the tax credit.
3. If your credit **exceeds your tax liability**, you may receive a refund of that amount. The **total amount claimed** 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

The New Solar Market Development Tax Credit is transferable. The credit can be sold, exchanged, or otherwise transferred to another taxpayer for the full value of the credit. However, only credits issued for solar systems installed starting January 1, 2022, can be transferred.

Questions and Answers

Q: My application was rejected because it was missing one document. Do I need to remit a whole new application?

A: Yes, if an application was rejected as incomplete, the whole application will have to be resubmitted.

Q: Why is my tax credit less than 10% of the cost of my solar energy system?

A: The cost of a solar energy system the department certifies shall be the net cost of acquiring the system and shall not include certain fees disallowed and additional costs pursuant to **3.3.14.15 C NMAC**. The tax credit is available for up to 10% of the equipment, materials, and labor costs of a solar energy system, which may not exceed $6,000.

Q: I am getting the following error message: The file name was duplicated with one already attached. Select a new file.

A: The New Solar Market Development Tax Credit application will not allow duplicate file attachments. You will have to rename each file. The error you are receiving is stating the file is a duplicate. The website portal will not allow you to move the application forward.

Q: Itemized invoice is one document; the web application portal is asking for multiple invoices.

A: You may upload one invoice or upload the same invoice twice. You will have to rename the invoice because the system recognizes the file name and will prevent you from uploading the same invoice twice.

Q: What are other costs?

A: Other costs are subcontractors' invoices. Some solar installers subcontract for building, tree trimming, service panel upgrades, or other services.

Q: I do not owe taxes; can I give my tax credit incentive to another?

A: Taxation Revenue Department Form TRD-41417 may be used by the holder who sells, exchanges or transfers their credit to another taxpayer for the full value of the credit. Please contact the Taxation Revenue Department.

Q: If an applicant contracts for a lease of the equipment or enters a PPA would qualify for the SMDTC?

A: A lease or Power Purchase Agreement (PPA) does not qualify because the developer does not own the residence. (NMSA § 7-2-18-31 and NMAC § 3.3.14.8)

Q: I am receiving error indication of the file size limit.

A: The upload file size limit to 80MB

For more answers to your question, you can find an expanded list of Q's & A's located:
https://www.emnrd.nm.gov/ecmd/faq/

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/

Contact Information:

Questions on claiming, transferring, refund status the tax credit:

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 applying for solar system certification:

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/
Telephone message (505) 476-3310