HOUSE BILL 296

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; ALLOWING A TAX CREDIT FOR LEASE OF SOLAR
ENERGY INSTALLATIONS.

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

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

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

A. Except as provided in Subsection C of this
section, a taxpayer who files an individual New Mexico income
tax return for a taxable year beginning on or after January 1,
2006 and who purchases <u>or leases</u> and installs after January 1,
2006 but before December 31, 2016 a solar thermal system or a
photovoltaic system in a residence, business or agricultural

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1   enterprise in New Mexico owned by that taxpayer may apply for,

2   and the department may allow, a solar market development tax

3   credit of up to ten percent of the purchase or lease and

4   installation costs of the system.

5   B.   The total solar market development tax credit

6   allowed for either a photovoltaic system or a solar thermal

7   system shall not exceed nine thousand dollars ($9,000). The

8   department shall allow solar market development tax credits

9   only for solar thermal systems and photovoltaic systems

10   certified by the energy, minerals and natural resources

11   department.

12   C.   Solar market development tax credits may not be

13   claimed or allowed for:

14   (1)   a heating system for a swimming pool or a

15   hot tub; or

16   (2)   a commercial or industrial photovoltaic

17   system other than an agricultural photovoltaic system on a farm

18   or ranch that is not connected to an electric utility

19   transmission or distribution system.

20   D.   The department may allow a maximum annual

21   aggregate of:

22   (1)   two million dollars ($2,000,000) in solar

23   market development tax credits for solar thermal systems; and

24   (2)   three million dollars ($3,000,000) in

25   solar market development tax credits for photovoltaic systems.

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1   E.   A portion of the solar market development tax

2 credit that remains unused in a taxable year may be carried

3 forward for a maximum of ten consecutive taxable years

4 following the taxable year in which the credit originates until

5 fully expended.

6   F.   Prior to July 1, 2006, the energy, minerals and

7 natural resources department shall adopt rules establishing

8 procedures to provide certification of solar thermal systems

9 and photovoltaic systems for purposes of obtaining a solar

10 market development tax credit. The rules shall address

11 technical specifications and requirements relating to safety,

12 code and standards compliance, solar collector orientation and

13 sun exposure, minimum system sizes, system applications and

14 lists of eligible components. The energy, minerals and natural

15 resources department may modify the specifications and

16 requirements as necessary to maintain a high level of system

17 quality and performance.

18   G.   As used in this section:

19   (1)   "photovoltaic system" means an energy

20 system that collects or absorbs sunlight for conversion into

21 electricity; and

22   (2)   "solar thermal system" means an energy

23 system that collects or absorbs solar energy for conversion

24 into heat for the purposes of space heating, space cooling or

25 water heating."

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SECTION 2. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2015.

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