

1 SENATE BILL 584

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

3 INTRODUCED BY

4 Phil A. Griego

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10 AN ACT

11 RELATING TO TAXATION; AMENDING A SECTION OF THE INCOME TAX ACT
12 TO CLARIFY THAT THE GEOTHERMAL GROUND-COUPLED HEAT PUMP TAX
13 CREDIT IS APPLICABLE TO EACH UNIT OF PROPERTY THAT A HEAT PUMP
14 OR PUMPS MAY BE INSTALLED ON OR IN.

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

17 SECTION 1. Section 7-2-18.24 NMSA 1978 (being Laws 2009,
18 Chapter 271, Section 1) is amended to read:

19 "7-2-18.24. GEOTHERMAL GROUND-COUPLED HEAT PUMP TAX
20 CREDIT.--

21 A. A taxpayer who files an individual New Mexico
22 income tax return for a taxable year beginning on or after
23 January 1, 2010 and who purchases and installs after January 1,
24 2010 but before December 31, 2020 a geothermal ground-coupled
25 heat pump or pumps 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 tax credit of up to thirty
3 percent of the purchase and installation costs of the system on
4 a single unit of property. The credit provided in this section
5 may be referred to as the "geothermal ground-coupled heat pump
6 tax credit". The total geothermal ground-coupled heat pump tax
7 credit allowed to a taxpayer shall not exceed nine thousand
8 dollars (\$9,000). The department shall allow a geothermal
9 ground-coupled heat pump tax credit only for geothermal ground-
10 coupled heat pumps certified by the energy, minerals and
11 natural resources department.

12 B. A portion of the geothermal ground-coupled heat
13 pump tax credit that remains unused in a taxable year may be
14 carried forward for a maximum of ten consecutive taxable years
15 following the taxable year in which the credit originates until
16 the credit is fully expended.

17 C. Prior to July 1, 2010, the energy, minerals and
18 natural resources department shall adopt rules establishing
19 procedures to provide certification of geothermal ground-
20 coupled heat pumps for purposes of obtaining a geothermal
21 ground-coupled heat pump tax credit. The rules shall address
22 technical specifications and requirements relating to safety,
23 building code and standards compliance, minimum system sizes,
24 system applications and lists of eligible components. The
25 energy, minerals and natural resources department may modify

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1 the specifications and requirements as necessary to maintain a
2 high level of system quality and performance.

3 D. The department may allow a maximum annual
4 aggregate of two million dollars (\$2,000,000) in geothermal
5 ground-coupled heat pump tax credits. Applications for the
6 credit shall be considered in the order received by the
7 department.

8 E. A taxpayer who otherwise qualifies and claims a
9 geothermal ground-coupled heat pump tax credit with respect to
10 a property owned by a partnership or other business association
11 of which the taxpayer is a member may claim a credit only in
12 proportion to that taxpayer's interest in the partnership or
13 association. The total credit claimed in the aggregate by all
14 members of the partnership or association with respect to the
15 property shall not exceed the amount of the credit that could
16 have been claimed by a sole owner of the property.

17 F. [~~A husband and wife~~] Married individuals who
18 file separate returns for a taxable year in which they could
19 have filed a joint return may each claim only one-half of the
20 credit that would have been allowed on a joint return.

21 G. As used in this section, "geothermal ground-
22 coupled heat pump" means a system that uses energy from the
23 ground, water or, ultimately, the sun for distribution of
24 heating, cooling or domestic hot water; that has either a
25 minimum coefficient of performance of three and four-tenths or

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1 an efficiency ratio of sixteen or greater; and that is
2 installed by an accredited installer certified by the
3 international ground source heat pump association."

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