

1 SENATE BILL 260

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

4 George K. Muñoz and Benny Shendo, Jr.

10 AN ACT

11 RELATING TO TAXATION; CREATING THE WORKFORCE EDUCATION
12 CORPORATE INCOME TAX CREDIT.

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

15 SECTION 1. A new section of the Corporate Income and
16 Franchise Tax Act is enacted to read:

17 "[NEW MATERIAL] WORKFORCE EDUCATION CORPORATE INCOME TAX
18 CREDIT.--

19 A. For taxable years prior to January 1, 2029, a
20 taxpayer that makes a donation to a public post-secondary
21 educational institution or school district to fund a workforce
22 education program may claim a tax credit against the taxpayer's
23 tax liability imposed pursuant to the Corporate Income and
24 Franchise Tax Act. The tax credit authorized pursuant to this
25 section may be referred to as the "workforce education

.233603.1

underscored material = new
[bracketed material] = delete

1 corporate income tax credit".

2 B. The amount of the tax credit shall be in an
3 amount equal to seventy-five percent of the amount donated in a
4 taxable year, not to exceed seven hundred fifty thousand
5 dollars (\$750,000) per taxpayer.

6 C. A taxpayer shall apply for certification of
7 eligibility for the tax credit from the economic development
8 department on forms and in the manner prescribed by that
9 department. The total annual aggregate amount of tax credits
10 that may be certified in a calendar year shall not exceed five
11 million dollars (\$5,000,000). Completed applications shall be
12 considered in the order received. Applications for
13 certification received after this limitation has been met in a
14 calendar year shall not be approved.

15 D. If the economic development department
16 determines that a taxpayer meets the requirements of this
17 section, that department shall issue a dated certificate of
18 eligibility to the taxpayer providing the amount of tax credit
19 for which the taxpayer is eligible and the taxable year in
20 which the tax credit may be claimed. The economic development
21 department shall provide the department with the certificates
22 of eligibility issued pursuant to this subsection in an
23 electronic format at regularly agreed-upon intervals.

24 E. A certificate of eligibility may be sold,
25 exchanged or otherwise transferred to another taxpayer for the

underscored material = new
[bracketed material] = delete

1 full value of the tax credit. The parties to such a
2 transaction shall notify the department of the sale, exchange
3 or transfer within ten days of the sale, exchange or transfer
4 in an electronic format prescribed by the department.

5 F. A taxpayer allowed a tax credit pursuant to this
6 section shall report the amount of the tax credit to the
7 department in a manner required by the department.

8 G. The tax credit provided by this section shall be
9 included in the tax expenditure budget pursuant to Section
10 7-1-84 NMSA 1978, including the total annual aggregate cost of
11 the credit.

12 H. As used in this section:

13 (1) "donation" means a monetary donation to a
14 public post-secondary educational institution or school
15 district to fund a workforce education program, but does not
16 include a donation made by a taxpayer that:

17 (a) is an investor in an entity
18 contracted to provide the workforce education program; or

19 (b) is an entity that is otherwise
20 affiliated with the entity contracted to provide the workforce
21 education program; and

22 (2) "workforce education program" means a
23 program to provide vocational training, career and technical
24 education and job training to students enrolled at a public
25 post-secondary educational institution or public school."

1 **SECTION 2. APPLICABILITY.--**The provisions of this act
2 apply to taxable years beginning on or after January 1, 2026.

3 - 4 -
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

underscored material = new
[bracketed material] = delete