



Technology Readiness Gross Receipts Tax Credit

Revenue Stabilization and Tax Policy Committee

October 2026

PROPOSAL FOR EXTENSION AND EXPANSION

Sandia National Laboratories
Los Alamos National Laboratory
New Mexico Economic Development Department

THE LEGISLATIVE REQUEST

Include Technology Readiness Gross Receipts (TRGR) Tax Credit extension and expansion in the RSTP tax package

1

AUTHORIZE CONTINUITY

- Act before the June 30, 2027 expiration.
- Allows eligible company projects continue without a gap.

2

EXPAND CAPACITY

- Raise the cap and project ceiling. Allows laboratories to support more companies and complete higher-cost technical milestones.

3

PRESERVE ACCOUNTABILITY

- Keep current eligibility and safeguards.
- Continue annual reporting.
- Add a formal five-year review.

PURPOSE AND PROBLEM

PURPOSE

Accelerate New Mexico companies and technologies beyond the invention stage into products and services by leveraging national laboratory intellectual property, capabilities, and infrastructure.

WHY THE TAX CREDIT FITS

The laboratory claims documented qualified expenditures after providing the work. The company receives specialized technical assistance, not unrestricted cash, and certifies that comparable help is unavailable at reasonable private cost.

CURRENT CONSTRAINT

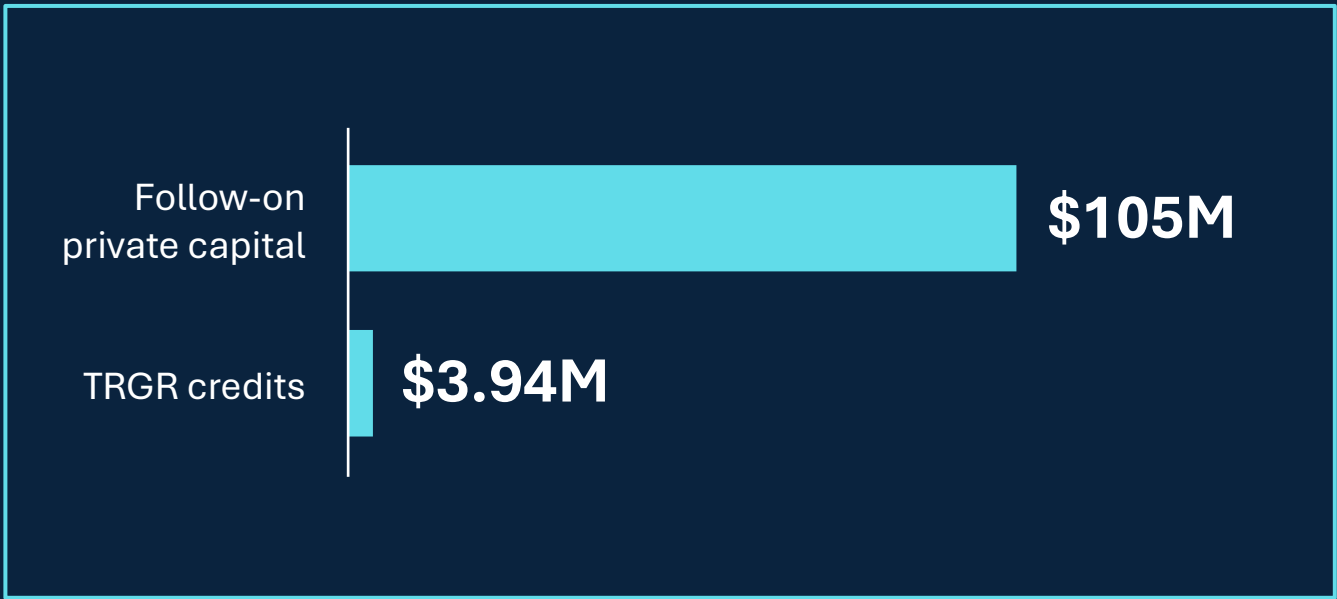
\$150K

The project ceiling often cannot carry hardware-intensive work through fabrication, integration, applied testing, field validation or other activities that are essential to move toward commercialization

\$1M

The annual cap per laboratory limits the number and scale of projects, leaving NM companies without support and constraining the impact of the program.

A PROVEN PROGRAM WITH MEASURABLE LEVERAGE



≈27x

follow-on private capital per credited dollar

36
companies

43
projects

74
jobs created or retained

>\$275M
NM capital investment

\$92K+
average salary in New Mexico

100%
of companies remained in NM

TRGR funds the technical evidence founders need to raise capital, hire people, and build their companies here.

24 Licenses

16 CRADA-driven

15 Companies Recruited

3 Laboratory spin-outs



DE-RISK, RAISE, HIRE: TRGR SUCCESS STORIES



UbiQD

LOS ALAMOS · QUANTUM MATERIALS

LANL quantum-dot specialists used advanced spectroscopy, unavailable in the private sector, to improve UbiQD's materials.

- 24 jobs in Los Alamos
- \$20M Series B (2025)
- Multi-year supply agreement with First Solar
- Exploring manufacturing in northern NM



Eden Radioisotopes

ALBUQUERQUE · MEDICAL ISOTOPES

LANL metallurgy experts rolled full-size uranium fuel foil to prototype specifications, a key step toward licensing a reactor that produces medical isotopes.

- \$20M in equity raised
- 17 jobs today; 205 projected, 146 in Lea County
- \$1.5B projected economic impact
- Job Training Incentive Program, high-wage and rural jobs tax credits, and LEDA GRT sharing



VastVision Technologies

ALBUQUERQUE · SMART SENSING

Sandia scientists worked to further develop the handheld MagTag reader, the system's environmental sensing capabilities, and microfabrication techniques.

- Accepted into the New Mexico Lab-Embedded Entrepreneur Program
- Fully operational fabrication lab in Albuquerque dedicated to next-generation sensing and communication systems
- 7 jobs today; dozens of jobs projected

ADDITIONAL ROI: IMPROVING LIVES OF NEW MEXICANS



SAFER PUBLIC TRANSIT · SANDIA

Neosan Labs

Sandia validated its decontamination system on rail-car materials, including surrogate-fentanyl testing. The company is now under contract with the Rail Runner Express operator, which serves riders from Belen to Santa Fe.



SAFER PUBLIC SPACES · LANL

BioFlyte

- Early warning for airborne biological threats. LANL modeling helps place sensors in the airports, arenas, and transit hubs where New Mexicans gather. **\$6.1M Series A; Air Force SBIR Phase II; DHS SAFETY Act; Critical infrastructure and mail screening**



CLEANER WATER · SANDIA

Clean Aqua Solutions

Algae-based treatment removes nitrogen and phosphorus from wastewater and agricultural runoff, helping protect one of New Mexico's scarcest resources.

TRGR's return isn't only financial. It shows up in safer transit, protected public spaces, and cleaner water.

LABORATORY INVENTIONS BECOMING NM COMPANIES

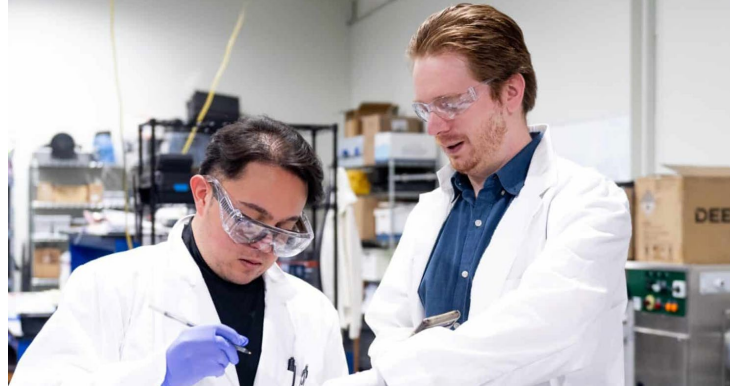
Spin-out Pipeline



Bandelier Technologies

A New Mexico team is translating national laboratory technology into fieldable sensing and secure communications.

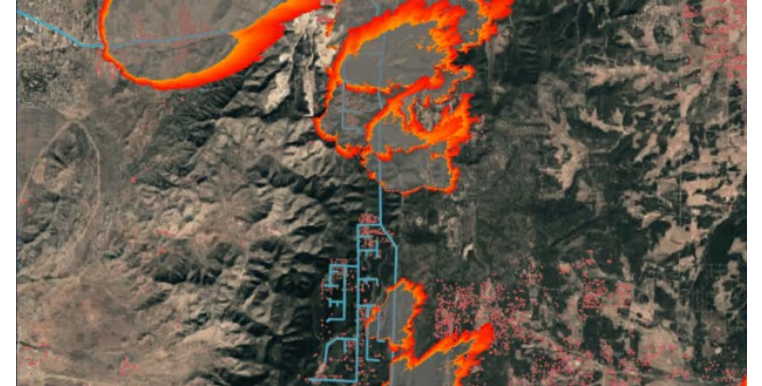
QUANTUM SENSING



GridFlow

Working with Sandia to build and test battery designs in its new facility in the Sandia Science & Technology Park.

NOVEL BATTERIES



FireScape

Two Sandia scientists are building tools that help utilities protect critical infrastructure and the communities they serve.

WILDFIRE RISK

NM IS AT A PIVOTAL MOMENT

Expanding TRGR will position the state to capitalize on it.

DEMAND

In sFY26 both labs are fully allocated: 21 projects and \$1.6M delivered, with a \$4.5M pipeline, more than twice the combined cap.

TECHNOLOGY COST

Capital-intensive technologies can exhaust \$150,000 before reaching an investor-ready result.

STATE INVESTMENTS

CAMINO and planned quantum and advanced manufacturing facilities need a funded company and laboratory project pipeline.

STACKING FUNDING

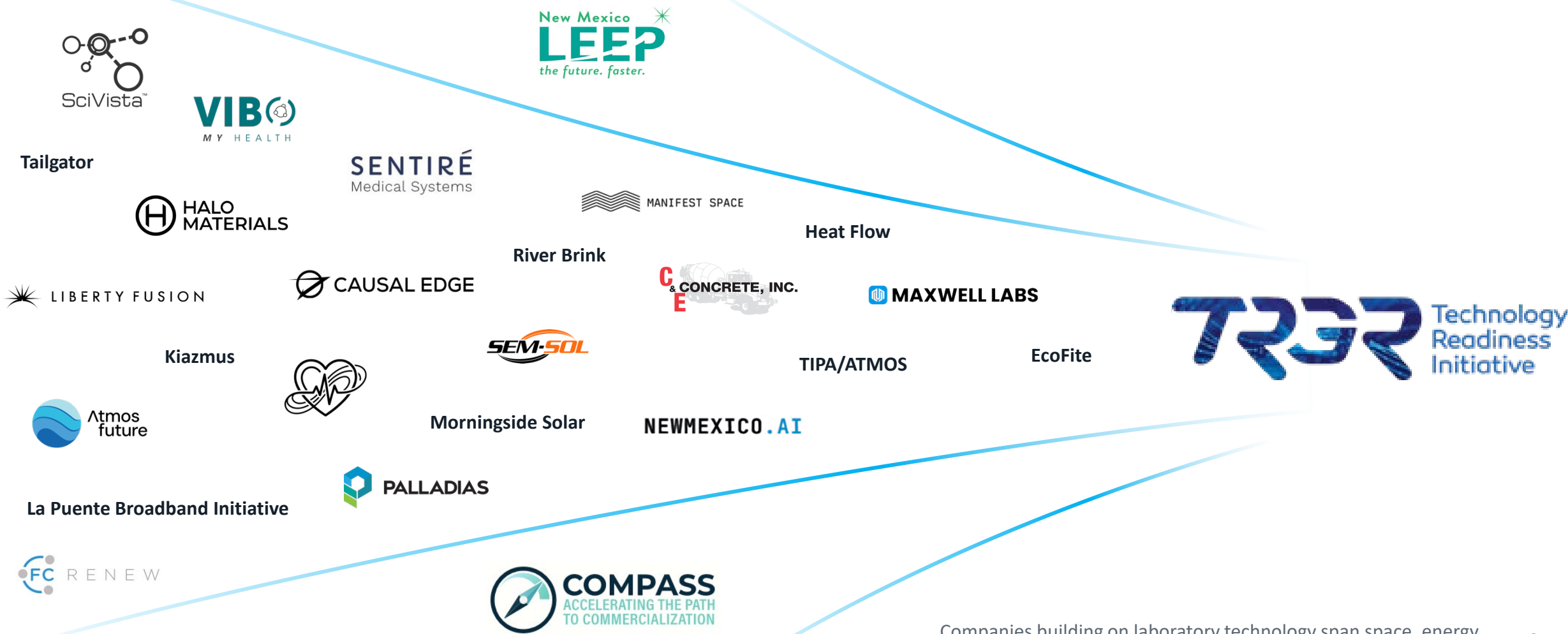
Federal award programs increasingly require a named industry partner. A larger portfolio helps New Mexico companies meet that bar and win more federal funding.

LABORATORY SPIN OUT

Interest in entrepreneurial leave has grown from roughly 2 to 3 researchers per year to approximately 10 to 20.



COMPANIES IN THE PIPELINE



Companies building on laboratory technology span space, energy, advanced materials, sensing, AI, and defense. 9

WHAT EXPANSION CHANGES

Extend the program before its June 2027 expiration and authorize a healthier, accountable portfolio.

2037

New expiration date

\$10M

Annual cap per
laboratory

\$500K

Maximum per business-
based on tiered, milestone
guided investment decisions

5 years

Formal review point

WHAT REMAINS UNCHANGED

Eligibility remains limited to a New Mexico business with a laboratory license or Cooperative Research and Development Agreement (CRADA). Qualified-expenditure rules, private-market and New Mexico Economic Development Department participation in project selection; joint-laboratory coordination; and annual reporting continue.