

2019 Briefing: Revenue Stabilization & Tax Policy Interim Committee

Legislation - A True Partnership

- Laboratory Partnership with Small Business Tax Credit Act - *"It is the purpose of the Act to bring the technology and expertise of the national laboratories to small businesses in New Mexico to promote economic development in the state, with emphasis on rural areas."*
- NMSBA is a mechanism for Los Alamos National Laboratory and Sandia National Laboratories to provide technical support to small businesses across New Mexico to address a wide range of business needs.
- This is a great partnership with state of New Mexico, Los Alamos National Laboratory, Sandia National Laboratories, and small businesses to strengthen the economy of New Mexico.
- The Act provides:
 - Up to \$2.4M annually per lab, in the form of a gross receipts tax credit, to solve problems for small businesses in New Mexico
 - \$40,000 worth of technical assistance per business annually to help companies in rural counties
 - \$20,000 worth of technical assistance per business annually to help companies in urban counties (Bernalillo and Santa Fe)
 - No cash or equipment to the participating businesses

Accountability & Transparency

- The Taxation and Revenue Department is the administrator of the NMSBA Program.
- Language in the Act requires us to consult with the Taxation and Revenue Department and the Economic Development Department to seek advice on improvements in the operation of the NMSBA Program.
- Each year, we meet with the Taxation and Revenue Department, the Economic Development Department, and appropriate legislative committees, typically the Revenue Stabilization and Tax Policy Committee and/or the Economic and Rural Development Committee. At these meetings, we submit our Annual Report, which details the program metrics.
- Surveys
 - Economic Impact: third-party survey and collection of data, followed by a third party performing economic impact analyses
 - Customer Satisfaction: third-party survey and collection of data

LANL/SNL Joint Program Impact

- Assistance Provided (2000 – 2018)
 - 2,931 small businesses assisted – 64% in rural New Mexico
 - \$62.5M of assistance provided to small businesses
 - 33 counties throughout NM served
- Economic Impact (2000 – 2017)
 - 7,853 jobs created/retained
 - \$378.2M increase in revenue
 - \$182.8M decrease in operating costs
 - \$133.1M investment in NM goods and services
 - \$148.9M new funding or financing
- Projected Results (2019)
 - 250 - 300 small businesses assisted
 - \$4.4M to \$4.6M of assistance provided to small businesses
 - 22-25 counties served throughout NM

Strategies

- Through outreach and engagement with the business community and our business resource partners, broaden the types of businesses receiving assistance, increase the range of technical expertise offered by the national laboratories and expand the program's coverage in rural counties.
- Continue alignment of programmatic objectives with legislative intent, with the State's economic development strategies and focuses, and with the two laboratories' technology transfer and commercialization objectives.

Industry Focus

- **Agricultural Industry**—NMSBA has a long history of working with the agricultural industry, particularly in the areas of sustainable and value-added agriculture. Laboratory scientists are working with orchards to track and predict frost events so that crops can be protected, and yields increased. The laboratories have also assisted agricultural technology firms in validating sensors and improving data management practices. Through this program, companies have also solved their challenges in testing fertilizers and other soil amendments to bring soil amendment products to market. NMSBA has also helped value added producers adopt new technologies and improve their value-added processes to develop new products and increase production.
- **Health and Bioscience**—NMSBA serves the range of both health and bioscience companies. Small businesses call upon NMSBA for everything from the testing the efficacy of antibacterial and antimicrobial compounds to assistance in developing the backend infrastructure and cyber security to create effective, safe and efficient health record databases. Businesses have also used NMSBA to access business expertise from New Mexico's Universities to discover and enter new markets and confirm lack of toxicity in their antibody products. This year's Honorable Speaker Ben Lujan Award for Small Business Excellence was presented to Rhino Health for their NMSBA assistance, which resulted in significant cost savings, a new factory and increased jobs.
- **Arts & Culture**—Through NMSBA artists from across the state have benefit by exploring and learning how to incorporate advanced manufacturing technologies into their process. NMSBA also worked with a number of emerging media companies to create interactive computer and phone based applications to share art and experiences--with a focus on driving tourism to New Mexico communities.
- **Sustainable and Green Energy**—Laboratory researchers are assisting small businesses through a variety of renewable energy projects aimed at improving algal bio-fuel production, design evaluations of novel wind turbines, and decreasing the risk of geothermal project development.
- **Advanced Manufacturing**—NMSBA has assisted a wide variety of companies from start-ups designing and developing a new product to established manufacturing businesses in need of process improvements to increase production and profitability. The companies range from food processing, to skincare and cosmetics, to sustainable agricultural products, to high value equipment production they all benefit from the laboratories' expertise in advanced manufacturing techniques and processes.



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