

Technology Readiness Gross Receipts (TRGR) Tax Credit

Background

For years, the State of New Mexico has sought ways to leverage the research and development from Los Alamos National Laboratory and Sandia National Laboratories to spur innovation, create jobs, and increase economic wealth in our communities, including rural New Mexico. In partnership with our two national labs, now is an opportune time for the State of New Mexico to explore and support new and innovative mechanisms to increase the transfer of technology from our national labs to businesses in our own state.

What?

Technology Readiness Gross Receipts (TRGR) Tax Credit program, is a technology maturation pilot program. This program would **enable the national labs to help New Mexico businesses mature their technologies and accelerate development of their products.** Companies will work directly with national lab researchers to advance a technology past the invention stage into a matured technology.

What Would TRGR Do? Help businesses in New Mexico mature a technology, so it is ready for a customer or investor.

What Do You Mean by Technology Maturation? The technology has been developed to a state that results in a prototype or demonstration of the feasibility for real-world application. Examples of technology maturation include prototyping, proof-of-concept, field demonstrations, technical validation, and testing and development.

Why?

TRGR addresses the gap of knowledge transfer and technology advancement when a New Mexico business licenses a laboratory technology or engages in a research partnership. Research at the national labs is often at the early stages of development. The federal government investments continue to be in basic and applied research. Lab technologies are patented or copyrighted as IP to be licensed, and frequently there is a void in funding to develop it further into a minimum viable product for commercial applications. **The TRGR Tax Credit is a vehicle to accelerate national laboratory breakthrough technologies into transformative products to build successful companies in New Mexico.**

Who?

New Mexico businesses who have licensed a technology or are a participant in a Cooperative Research and Development Agreement with Los Alamos or Sandia national labs and need to further mature their technology are eligible to apply for technology maturation assistance.

How?

Projects will be proposed by New Mexico businesses that need the technical abilities of the national labs to continue developing or adapting a lab technology into a product. The selection process will consist of four parts: intent to apply, review for eligibility, proposal, and selection.

TRGR proposals will be reviewed and recommended to move forward by the TRGR Review Panel. The TRGR Review Panel will be comprised of 5-7 individuals including technology and industry experts, representation from NMEDD, the NM investor community, business support organizations, and NM business owners and entrepreneurs. The New Mexico Technology Research Collaborative (TRC) will make recommendations for funding.

Funding & Metrics: \$19M for the 5-year pilot program

Program Funding/Per Lab

Year 1	Year 2	Year 3	Year 4	Year 5
\$1M	\$1.5M	\$2M	\$2.5M	\$2.5M

Project Funding

New Mexico businesses applying for technology maturation assistance may receive up to two hundred and fifty thousand dollars (\$250,000) of assistance from a national lab per year. The Taxation and Revenue Department will be responsible for accepting and distributing the tax credits to the national laboratories for qualified expenditures.

Evaluation

TRGR Program would be evaluated for effectiveness. The Economic Development Department will provide advice on improvements in the operation of TRGR.