Money Matters
Analysis by the LFC Economists
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

New Mexico Tax Expenditure Overview

Tax expenditures refer to forgone revenues from special provisions in the tax code that benefit specific activities or groups of taxpayers. In other words, they are government spending programs authorized through the tax code and make up an important but often overlooked part of the state's annual budget.

Background

Tax expenditures may be used to promote general welfare or incentivize a particular type of behavior, such as promoting economic development overall or encouraging growth in a particular industry. New Mexico has over 100 tax expenditures, most of which take the form of exemptions, deductions, and credits.

Credits reduce tax liability by the dollar amount of the credit. Credits that exceed liability are sometimes allowed to be carried forward to the taxpayer's next reporting period, or, in more limited instances, are refundable (i.e. the taxpayer is paid any amount of credit that exceeds their tax liability). Many credits are reported separately in returns, which can make it easier to determine their cost.

Deductions and Exemptions are applied to a base revenue before a taxpayer's liability is determined, reducing a taxpayer's income or payment subject to tax. Deductions, like credits, are typically reported but they are not always reported separately, which can make the data difficult for analysis. Exemptions are often not reported, and the resulting costs are can be more difficult to determine.

Policy Considerations

Tax expenditures reduce government revenues, and the revenue loss is generally uncapped – most are not subject to annual legislative authorization and factors determining their costs are largely not under government control. Because the costs of tax expenditures are counted as reduced tax revenues instead of increased spending, they may appear to reduce the size of government. However, as with direct spending, tax expenditures are financed eventually through higher taxes or reduced spending elsewhere.

Although many are intended to meet specific public policy goals, tax expenditures may lead to a misallocation of public funds and can undermine confidence in the tax system. For example, instead of providing tax incentives for specific businesses, perhaps the state could better promote economic development by spending that revenue on education and infrastructure or by reducing tax burdens more broadly. [1] Tax expenditures increase the complexity of the tax code. They can also increase perceived inequities if they are seen as tax breaks for special interests at the expense of the general public, undermining trust in the fairness of the tax system.

LFC TAX EXPENDITURE POLICY PRINCIPLES

1. VETTED

The proposed new or expanded tax expenditure was vetted through interim legislative committees, such as LFC and the Revenue Stabilization and Tax Policy Committee, to review fiscal, legal, and general policy parameters.

2. TARGETED

The tax expenditure has a clearly stated purpose, long-term goals, and measurable annual targets designed to mark progress toward goals.

3. TRANSPARENT

The tax expenditure requires at least annual reporting by the recipients, the Taxation and Revenue Department, and other relevant agencies.

4. ACCOUNTABLE

The required reporting allows for analysis by members of the public to determine progress toward annual targets and determination of effectiveness and efficiency. The tax expenditure is set to expire unless legislative action is taken to review the tax expenditure and extend the expiration date.

5. EFFECTIVE

The tax expenditure fulfills the stated purpose. If the tax expenditure is designed to alter behavior – for example, economic development incentives intended to increase economic growth – there are indicators the recipients would not have performed the desired actions "but for" the existence of the tax expenditure.

6. EFFICIENT

The tax expenditure is the most cost-effective way to achieve the desired results.

Advantages and Disadvantages of Tax Incentives

States often try to use tax incentives to create jobs, attract new businesses, or strengthen their economies. Such incentives can be major budget commitments, and the approach offers a variety of advantages and disadvantages.

Advantages. Arguments in support of using tax incentives for economic development policy contend that such incentives can attract capital investment that will increase employment and average wages. Although state taxes may not be a significant factor in determining new locations for large businesses, they may be important to small and medium-sized firms. Targeted incentives may help attract such firms and can be less costly than more broad-based tax cuts.

Disadvantages. In general, state taxes are a relatively small part of total costs and state-to-state differences are even smaller.[3] Therefore, differences in state taxes may not have much impact on variation in rates of return across states. Additionally, state and local taxes are deductible for federal income tax purposes, further reducing the significance of state-to-state differences. Incentives can also create inequities in the tax system that can skew the real or perceived fairness of the state's tax policies.

Moreover, it is difficult to determine whether a tax incentive is the deciding factor for a company to move into the state or to remain in business. Without knowing whether an action would have taken place "but for" the incentive, it is difficult to determine whether these expenditures actually incentivize certain decisions or act as rewards for actions that would have occurred anyway.

Tax Pyramiding

Tax pyramiding occurs when the GRT is applied to business-to-business purchases of goods and services, creating an extra layer of taxation at each stage of production.

New Mexico currently has anti-pyramiding provisions for many goods-based inputs, but service-based inputs are still largely taxed, which can be particularly difficult for smaller businesses unable to bring those services in-house and instead contract for services like accountants, attorneys, and human resource functions. The burden of pyramiding is then exacerbated by rising GRT rates.

Tax incentives are often used to address the problem of rising gross receipts tax rates by lowering the tax burden for specific industries. However, such incentives may ultimately end up worsening the pyramiding problem by reducing the tax base, which then puts upward pressure on tax rates.

Tax Expenditure Reporting and Evaluation

The only way to control the outflow of revenue by way of tax expenditures is to amend the statutes, but the state typically lacks the information needed to craft the appropriate amendments. Regular reporting on and evaluation of the state tax expenditures could help address this issue; however, tax expenditure reporting varies across state governments.

According to the Tax Policy Center, although it is considered best practice to report on tax expenditures frequently and to include information about the rationale, desired outcome, category of taxpayers who benefit, and metrics for rigorous effectiveness evaluation, most states fail to meet these standards.[2]

In New Mexico, Governor Martinez signed an executive order in 2011 requiring the Taxation and Revenue Department to prepare an annual tax expenditure report, the first of which was published in 2012. These annual reports include valuable descriptive information on tax incentives,

State Tax Incentive Evaluation Ratings

According to Pew Charitable Trusts, understanding the extent to which economic development tax incentives change business behavior is crucial to measuring the economic and fiscal impact of programs intended to encourage companies to locate or expand within a state. Pew recommends states have well-designed plans to regularly evaluate tax incentives, quality evaluations that rigorously measure economic impact, and a process for informing policy choices.

In 2017, Pew rated New Mexico as trailing other states in its evaluation of tax incentives because it lacks a well-designed evaluation plan. Although an executive order requires to TRD to publish its tax expenditure report, Pew notes the report lacks detailed economic analysis.

Pew suggests the state consider providing better evaluation and more scrutiny to major tax incentives, like the high-wage jobs tax credit that costs tens of millions each year, rather than to such expenditures as a tax exemption totaling $10 thousand annually for street vendors with disabilities.

Source: *New Mexico Tax Incentive Evaluation Ratings*, Pew Charitable Trusts, May 3, 2017, https://www.pewtrusts.org/en/research-and-analysis/fact-sheets/2017/05/state-tax-incentive-evaluation-ratings-new-mexico including their purposes, how they function, and how much they cost. They also include policy recommendations for many incentives, some of which offer ways to improve the design of the programs.

However, while useful, the descriptive data included in TRD's tax expenditure report is generally insufficient to verify whether a tax expenditure is resulting in the desired effect. The report does not focus on outcomes and does not cover information that could be vital to determining effectiveness, such as the number of jobs created. This is due in part to a lack of sufficient reporting requirements from those claiming certain tax incentives, and many tax expenditures do not contain a clearly stated purpose in the statute. It is difficult to evaluate outcomes when the intent of a tax expenditure is unclear.

Film Production Tax Credit

The consensus revenue estimates project the cost of the film tax credit will surpass all other tax expenditures, except for the food GRT deduction, by FY23 due to changes made by Chapter 87, Laws 2019 (Senate Bill 2). The credit was changed to exempt production companies ("film partners") that purchase or sign a qualified 10-year lease from all credit caps. Depending on the success of attracting new film partners to New Mexico, film credit claims could continue to grow beyond the caps at potentially rapid rates, depending on the size of the production commitments made by new and existing film partners.

Despite its size and growing relevance to fiscal stability, the success of film tax credits has been difficult to quantify. In studies by the Economic Development Department (EDD), the credit was estimated to return $0.33 (2014 study) or $0.56 (2019 report using a multiplier for FY17) in state tax revenues for every $1.00 of credit claimed. Similarly, the impact of the credit on jobs is difficult to estimate. In 2009, Ernst and Young estimated credits totaling $49.4 million in 2007 supported 2,220 direct jobs and 6,990 indirect jobs in New Mexico. In 2019, EDD estimated 3,225 direct jobs and more than 6,000 indirect jobs were supported by $50 million in annual credits, but an additional $100 million had accrued as a credit backlog in the previous years, resulting in higher cost per job in FY19. As a part of the 2019 changes, annual reporting on the impacts of the credit will be jointly required by EDD, TRD, and LFC, with the first report expected in 2021.

Evaluating Tax Expenditures

In October 2018, LFC adopted a set of specific tax expenditure policy principles to provide a standard upon which to evaluate new proposals and changes to existing tax expenditure statutes (see sidebar on page 1).

Additionally, the Tax Policy Center identifies several questions lawmakers should ask when evaluating tax expenditures:

- What public policy goal is the state trying to achieve, and is there a need for intervention at all?
- If the tax expenditure is to promote more of some activity, does that activity generate a societal benefit beyond the direct gain to consumers of the good or service? If so, are the benefits sufficient to justify the cost?
- Does the tax expenditure duplicate or conflict with other tax provisions? Is it coordinated with other spending programs with similar objectives?
- Are the objectives best achieved by a tax expenditure, or would it be more effective and transparent to have a direct spending program instead?
- If a tax expenditure is unjustified or poorly targeted, how can it be phased out to minimize economic harm to current beneficiaries?

Top Ten State Tax Expenditures and Estimated Annual Costs (in millions)

Tax Expenditure	5-Year Avg. Cost
Food GRT Deduction (includes hold harmless distributions to local governments)	$250.5
Prescription Drugs GRT or GGRT Deduction	$108.4
Receipts of Nonprofit Organizations Exemption from GRT, except State and Nat'l Labs	$88.8
Health Care Practitioners GRT Deduction (includes hold harmless distributions to local governments)	$73.8
Working Families Tax Credit	$51.5*
NMMIP Assessment Credit	$51.2
Film Production Tax Credits/Film and Television Tax Credits*	$49.7* ($78.8 in FY20)
Capital Gains Deduction	$39.4
High-Wage Jobs Tax Credit	$36.8
Low Income Comprehensive Tax Rebate (excluding >65 & blind)	$19.4

Source: TRD 2018 Tax Expenditure Report

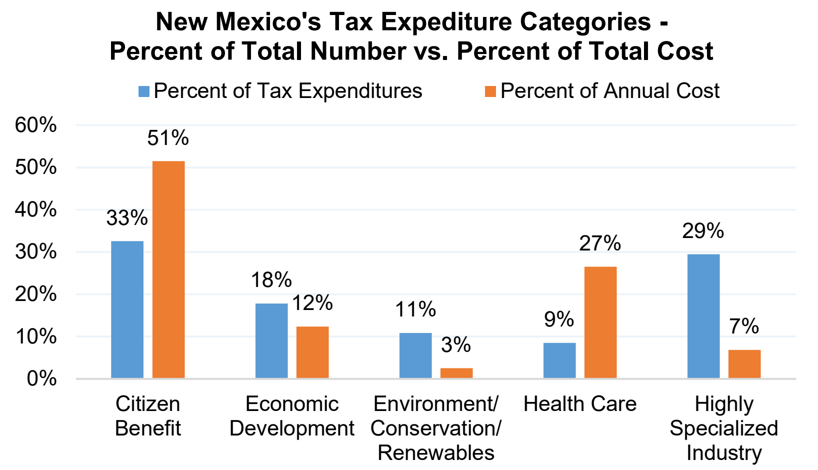
*The working families tax credit was expanded in the 2019 session at an estimated additional cost of about $40 million per year.

**The film tax credit was expanded in the 2019 session and is estimated to reach a cost of $145 million annually by FY23.

Cost of New Mexico Tax Expenditures

The state spends over $1 billion annually on various tax expenditures, the largest of which are GRT deductions for food and medical spending (including hold harmless payments to local governments), prescription drug GRT deductions, the exemption of nonprofit organizations from GRT, and film production tax credits against income taxes.

Economic Development. TRD identifies about 18 percent of the state's tax expenditures as economic development related, and the state spends about $155 million annually on this type of tax incentive. This cost is expected to rise with the expansion of the film production tax credit, which alone is estimated to have an average cost of about $145 million per year by FY23 (see text box on previous page). There are about 23 economic development incentives, including tax credits to incentivize the creation of high-wage and rural jobs, incentivize partnership between the state's national labs and small businesses, incentivize growth of technology-based businesses engaging in research and development, promote routing of air traffic through New Mexico, and incentivize manufacturing investment in the state.

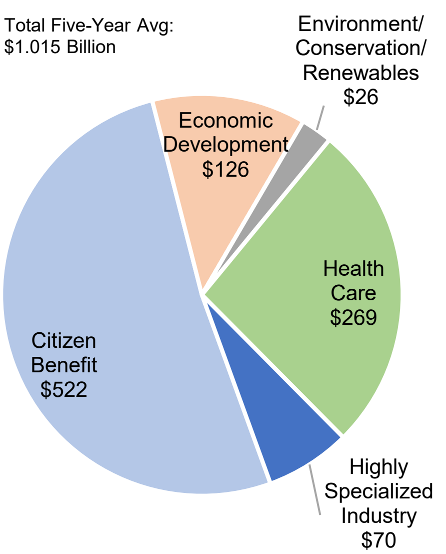


Source: TRD 2018 Tax Expenditure Report

Highly Specialized Industries. About 29 percent of the state's tax expenditures are identified as those available for specific or highly specialized industries. The largest of this type of expenditure are a deduction against GRT for locomotive engine fuel (estimated cost of $22.3 million in FY18) and an exemption for coal from the severance surtax (estimated five-year average cost of $17.4 million). Others include GRT deductions for lottery retailers, agricultural activities, uranium enrichment, newspaper companies, software development services, and real estate transactions.

While this category makes up a relatively large proportion of the number of the state's tax expenditures, it represents about 7 percent of the total estimated cost of the state's tax expenditures. TRD estimates the state spends about $70 million per year on this type of expenditure; however, this cost does not include estimates for tax incentives claimed by fewer than three companies due to confidentiality provisions (e.g. the enriched uranium GRT deduction applies to the singular uranium enrichment plant in the state and is not included in the estimate).

Cost of New Mexico Tax Expenditures by Category
(five-year average, in millions)



Source: TRD 2018 Tax Expenditure Report

Healthcare. Tax expenditures related to healthcare make up about a quarter of the cost of all state tax expenditures, totaling about $270 million per year. These include GRT deductions like those for prescription drugs and health care practitioner services, and credits like the New Mexico Medical Insurance Pool (NMMIP) credit against insurance premium tax.

Environment, Conservation, and Renewables. The state spends about $25 million per year on tax expenditures in this category. The largest is an income tax credit to encourage the development of renewable energy generating facilities in New Mexico, estimated at about $16 million annually. The state also has tax incentives for installation of solar energy systems (for which a tax credit was recently reenacted in 2020 and capped at $8 million per year), construction of biomass power generation, and encouragement of land conservation.

Citizen Benefit. This is the largest category of tax expenditure, both in terms of number of carve-outs and cost. The state spends over half a billion dollars each year on exemptions, credits and deductions intended to benefit individual taxpayers engaged in certain activities (e.g. purchasing food or medical care, making donations, etc.), alleviate tax burdens for a specific subset of the population (e.g. low-income, veterans, active military, or elderly), or reduce the demand for government services (e.g. certain nonprofit expenditures).

The GRT deductions for food purchases and receipts of nonprofit organizations are the largest expenditures in this category, together costing over $350 million per year. The working families income tax credit is the next largest with a five-year average of $51.5 million in 2018 – this credit was expanded in the 2019 session and estimated to cost an additional $40 million annually. In 2019 the Legislature also added a new income tax deduction for every dependent beyond the first, which was estimated at an additional annual cost of about $25 million to $30 million.

Unintended Consequences and Rising GRT Rates

By narrowing the state's tax base, tax expenditures have contributed to rising GRT rates in efforts to maintain adequate revenue levels.

Unlike other forms of spending, tax expenditures are often not reduced in lean times similar to other budgets. For example, current statute allows for unlimited expansion of film credits through uncapped, film-partner tax credits, and credits must continue to be paid regardless of the state's fiscal circumstances.

Food GRT Deduction and Hold Harmless Payments

The food deduction (and associated hold harmless payments to local governments to make up for the lost tax base) is the state's single largest tax expenditure, costing over $250 million annually. In FY20, a large taxpayer amendment spanning 36 months, combined with hoarding behaviors in the final quarter of the fiscal year following the onset of the Covid-19 pandemic, caused a significant jump in the cost of the deduction and associated hold harmless payments and resulted in a total cost to the state of nearly $400 million.

To manage the growing costs of this tax expenditure, the Legislature enacted a gradual phaseout of the hold harmless payments beginning in FY16 and simultaneously allowed local governments to increase their GRT rates up to 0.375 percent to help offset the revenue loss due to the phaseout.

Municipalities with populations less than 10 thousand and counties with populations less than 48 thousand are exempt from the phaseout. In FY20, hold harmless payments were 70 percent of the lost revenue, and this will decline by 7 percentage points each year until it reaches zero in FY30.

Because small cities and counties are exempted from the phaseout, the state will have a continued cost for hold harmless payments to these local governments beyond FY30, estimated at about $24 million annually. With inflation, the cost of the deduction and continued hold harmless payments to some local governments is estimated to have an ongoing cost of $240 million each year beyond FY30.

There are several possible options to bring food completely or partially back into the tax base and reduce GRT rates with the savings. However, LFC economists recommend that, if the food deduction is mostly or entirely repealed, it be done as part of a more comprehensive tax reform effort to provide additional rate reduction.

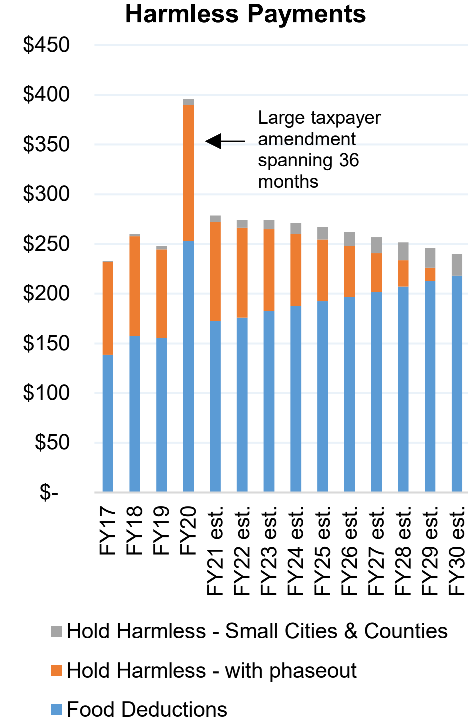
Tax reform discussions over the years have often considered base-broadening efforts that reduce or eliminate tax expenditures to pay for lowering the GRT rate or expanding anti-pyramiding provisions in the tax code. Such actions would reduce the burden of doing business in New Mexico with the goal of improving the state's economic conditions.

Tax changes passed in the 2019 legislative session contained several base-broadening efforts, including the addition of internet sales and nonprofit and government hospital receipts to the GRT base; however, the revenue generated from the 2019 tax changes effectively paid for additional film tax credits rather than lowering GRT rates. Finding new base-broadening opportunities is possible but will be difficult. Many of the largest tax expenditures, which provide the most opportunity for meaningful rate reduction, are also the most politically challenging to revise or repeal.

Moving forward, the state could adopt a more intentional and comprehensive system of evaluating tax expenditures that could help guide policymakers' decisions to retain, repeal, or amend various tax expenditures. This would provide better insight into opportunity for reform. Below are some options lawmakers could consider.

Expand data reporting requirements for taxpayers claiming tax incentives. Some tax incentives require taxpayers claiming the credit to include information when applying for the credit that could be used in the evaluation of the expenditure. For example, the high wage jobs tax credit requires reporting on the number, location, and wages of jobs claimed for the credit. This information is necessary for the administration of this particular

State Cost of Food GRT Deduction and Hold Harmless Payments



Note: small cities and counties are not subject to the phaseout

Source: RP-500, author's calculations

credit, but similar information on other tax incentives intended to spur job creation could be used to determine the effectiveness of the program. Although this information is collected for the high wage jobs tax credit, it is not reported in aggregate in TRD's annual tax expenditure report or used by the department to evaluate the program.

Other incentives clearly intended to induce a specific behavior, such as the rural health care tax credit for certain practitioners living in rural areas, currently have no reporting requirements. Because credits are separately reported to TRD, the department is easily able to determine the annual cost, but many existing credits do not require the department to report annually to committees on the effectiveness of the credit. Additionally, in the case of the rural health care tax credit, knowing the cost of the credit is insufficient for knowing whether the credit is an incentive for practitioners already living in rural areas to remain in that location, or whether it acts as an incentive to migrate to rural areas, or whether the credit has no influence in practitioners' decisions to remain in or locate to rural areas. Such knowledge would inform policymakers when evaluating proposals to expand or eliminate the credit.

TRD could work with EDD and LFC economists to perform a thorough review of reporting requirements for tax incentives and make recommendations for additional information that could be collected to better evaluate the program. Such information may require statutory changes, or could simply be incorporated into any existing applications for approval.

Require a rotating schedule of in-depth evaluations for major tax expenditures. In their 2017 rating of state tax incentive evaluations, Pew Charitable Trusts recommended New Mexico provide better evaluation and more scrutiny of major tax incentives. One way the state could do this is by requiring TRD, in conjunction with the Economic Development Department (EDD) and Workforce Solutions Department, to develop a rotating schedule for in-depth evaluations of the state's major tax expenditures (i.e. those costing tens of millions each years). Full-scale evaluations are difficult and time-consuming; therefore, a rolling schedule would give the departments time to focus on evaluating a few major programs each year.

If regular, in-depth evaluations were required, the Legislature should also consider providing funding to TRD, EDD, and LFC for dynamic tax modeling software that would enable the agencies to incorporate economic impacts of tax expenditures into their analysis. Without such software, the agencies would be limited in their ability to properly analyze the effectiveness of the expenditures. The Legislature could also consider providing funding to these agencies for additional FTE or to contract for such analysis if staffing is insufficient to perform them internally.

Recommendations to Improve Tax Expenditure Evaluation

- Implement reporting requirements for existing tax expenditures where currently lacking.
- Request TRD, EDD, and LFC staff to review current reporting requirements and identify gaps where better data could be collected and recommend statutory changes where needed.
- Require in-depth evaluations of a few major tax expenditures each year. Such evaluations could seek to answer the following questions:
  - Is the program reaching targeted recipients as intended?
  - Have feasibility or management problems emerged?
  - Have there been unintended side effects/consequences?
  - Do outcomes differ across approaches/components, providers, or subgroups?
  - What are the fiscal and economic impacts of the program?
  - Did the program cause the desired impact?
  - Assuming the purpose of the incentive is achieved, is it good tax policy?
  - Is a tax expenditure more effective at meeting its goals than a spending program or general tax reduction would be?
- Hold legislative hearings on major tax expenditures. While some tax expenditures require reporting to interim legislative committees, such reporting often comes in the form of a single hearing on tax expenditures in general. Individual hearings on specific tax expenditures would allow lawmakers to consider the results, receive input from stakeholders, and explore whether policy changes are needed.

References

1. Sammartino, F. and Toder, E., *Tax Expenditure Basics*, Tax Policy Center, January 2, 2020, https://www.taxpolicycenter.org/publications/tax-expenditure-basics/full
2. Boddupalli, A., Sammartino, F., and Toder E., *State Income Tax Expenditures*, Tax Policy Center, January 17, 2020, https://www.taxpolicycenter.org/publications/state-income-tax-expenditures/full
3. New Mexico Tax Research Institute, *The Role of Tax Incentives in a Well Designed State and Local Tax System*, Presentation to the LFC, August 2008

Does the bill meet the Legislative Finance Committee tax expenditure policy principles?

1. **Vetted**: The proposed new or expanded tax expenditure was vetted through interim legislative committees, such as LFC and the Revenue Stabilization and Tax Policy Committee, to review fiscal, legal, and general policy parameters.
2. **Targeted**: The tax expenditure has a clearly stated purpose, long-term goals, and measurable annual targets designed to mark progress toward the goals.
3. **Transparent**: The tax expenditure requires at least annual reporting by the recipients, the Taxation and Revenue Department, and other relevant agencies.
4. **Accountable**: The required reporting allows for analysis by members of the public to determine progress toward annual targets and determination of effectiveness and efficiency. The tax expenditure is set to expire unless legislative action is taken to review the tax expenditure and extend the expiration date.
5. **Effective**: The tax expenditure fulfills the stated purpose. If the tax expenditure is designed to alter behavior – for example, economic development incentives intended to increase economic growth – there are indicators the recipients would not have performed the desired actions "but for" the existence of the tax expenditure.
6. **Efficient:** The tax expenditure is the most cost-effective way to achieve the desired results.

LFC Tax Expenditure	Met?	Comments
Vetted	✓	
Targeted		
Clearly stated purpose	✓	
Long-term goals	✗	
Measurable targets	✗	
Transparent	✓	
Accountable		
Public analysis	✓	
Expiration date	✗	
Effective		
Fulfills stated purpose	?	
Passes "but for" test	?	
Efficient	?	
Key: ✓ Met ✗ Not Met ? Unclear		

Attachment B

Tax Expenditures and Estimated Costs (in thousands)

	Short Description	Statute	Year Enacted & Amended	TER Category	Reliability Factor	2017 Claims	2017 Amount	2018 Claims	2018 Amount	Five-Year Avg Cost
1	Food GRT Deduction (cost includes hold harmless distributions to local governments)	7-9-92; 7-1-6.46; 7-1-6.47	2004	Citizen Benefit	1	Not Reported	$231,487.00	Not Reported	$250,465.00	**$244,752.8**
2	Prescription Drugs GRT or GGRT Deduction	7-9-73.2	1998; 2003; 2007	Health Care	3	Not Reported	$165,000.00	Not Reported	$170,000.00	**$108,400.0**
3	Receipts of Nonprofit Organizations Exemption from GRT, except State and Nat'l Labs	7-9-29	1970; 83; 88; 90; 2019	Citizen Benefit	4	Not Reported	$92,000.00	Not Reported	$95,000.00	**$88,800.0**
4	Health Care Practitioners GRT Deduction (cost includes hold harmless distributions to local governments)	7-9-93; 7-1-6.46; 7-1-6.47	2004; 2006; 2007; 2016 (7-9-93 only)	Health Care	1	Not Reported	$66,833.00	Not Reported	$54,494.00	**$73,807.0**
5	Working Families Tax Credit against PIT	7-2-18.15	2007; 2008; 2019	Citizen Benefit	1	$197,794.0	$49,549.00	Not Reported	Not Reported	**$51,544.80**
6	NMMIP Assessment Credit against Insurance Premium Tax (Premium Tax Act eff 1/1/2019)	59A-54-10C	1987; 94; 2001; 2005; 2007; 2018	Health Care	1	Not Reported	$32,061.07	Not Reported	Not Reported	**$51,226.6**
7	Film Production Tax Credits/Film and Television Tax Credits against PIT or CIT	7-2F-1	2002; 2003; 2005; 2006; 2007; 2011; 2013; 2015; 2019	Economic Development	1	Not Reported	$49,971.00	Not Reported	$49,965.00	**$49,787.4**
8	Capital Gains PIT Deduction	7-2-34	1999; 2003; 2019	Citizen Benefit	1	$88,714.0	$29,264.00	Not Reported	Not Reported	**$39,401.2**
9	High-Wage Jobs Tax Credit against GRT, Comp, WH, ITGRT, 911 and relay svc surcharges (except Local Option)	7-9G-1	2004; 2007; 2008; 2013; 2016; 2019	Economic Development	1	Not Reported	$12,518.00	Not Reported	$8,551.00	**$36,758.4**
10	Low Income Comprehensive Tax Rebate from PIT (excluding >65 & blind)	7-2-14A	1972; 73; 74; 75; 77; 78; 81; 86; 87; 90; 92; 94	Citizen Benefit	1	$214,544.0	$16,825.00	Not Reported	Not Reported	**$19,393.40**
11	Locomotive Engine Fuel GRT and Comp Tax Deduction	7-9-110.1; 7-9-110.2	2011	Highly Specialized Industry	2	Not Reported	$16,891.00	Not Reported	$22,292.00	**$18,697.60**
12	Hospitals 50% (prior to 2019) or 60% (on and after 2019) GRT Deduction	7-9-73.1	1991; 93; 95; 2019	Health Care	2	Not Reported	$15,197.00	Not Reported	$15,805.00	**$17,472.80**
13	Coal Exemption from Severance Surtax	7-26-6.2	1990; 92; 94; 95; 97; 99	Highly Specialized Industry	1	$3.0	$14,352.00	<3	Redacted	**$17,368.75**
14	Renewable Energy Production Credit against PIT or CIT	7-2-18.18; 7-2A-19	2002; 2003; 2005; 2007	Environment/ Conservation/ Renewables	1	Not Reported	Not Reported	Not Reported	Not Reported	**$15,722.0**

Tax Expenditures and Estimated Costs (in thousands)

	Short Description	Statute	Year Enacted & Amended	TER Category	Reliability Factor	2017 Claims	2017 Amount	2018 Claims	2018 Amount	Five-Year Avg Cost
15	Apportionment Election of CIT (double/single sales - manufacturing)	7-4-10B	1993; 2001; 2002; 2009; 2013; 2015; 2019	Economic Development	2	$41.0	$35,787.00	Not Reported	Not Reported	**$15,012.0**
16	Sales to Nonprofit Organizations GRT or GGRT Deduction (FI includes 7-9-15)	7-9-60	1970; 92; 95; 2001; 2007; 2018	Citizen Benefit	4	Not Reported	$15,000.00	Not Reported	$15,000.00	**$15,000.0**
17	Hospitals Credit against GRT	7-9-96.1	2007	Health Care	1	Not Reported	$11,901.00	Not Reported	$18,980.00	**$11,548.6**
18	Lottery Retailers GRT Deduction	7-9-87	1995	Highly Specialized Industry	2	Not Reported	$9,000.00	Not Reported	$10,720.00	**$9,624.0**
19	Nonprofit Elderly Care Facilities Exemption from GRT	7-9-16	1969; 70; 75	Citizen Benefit	3	Not Reported	$9,747.00	Not Reported	Not Reported	**$9,411.00**
20	Low- and Middle-Income Persons Exemption from PIT	7-2-5.8	2005; 2007	Citizen Benefit	1	$533,345.0	$8,128.00	Not Reported	Not Reported	**$8,648.0**
21	Sale and use of agricultural implements, farm tractors, Aircraft or Vehicles Not Required to be Registered 50% GRT and Comp Deduction (FI includes 7-9-62(B) and (C))	7-9-62A; 7-9-77A	1969; 75; 88; 98; 2000; 2007; 2014	Highly Specialized Industry	2	Not Reported	$8,777.00	Not Reported	$8,900.00	**$8,375.6**
22	Armed Forces Salaries Exemption from PIT	7-2-5.11	2007	Citizen Benefit	1	$13,086.0	$9,184.00	$12,581.00	$9,034.00	**$8,109.3**
23	Newspapers GRT Deduction	7-9-64	1969	Highly Specialized Industry	3	Not Reported	$7,100.00	Not Reported	$6,500.00	**$7,780.0**
24	Unreimbursed or Uncompensated Medical Expenses for Persons 65 Years of Age or Older Credit against PIT	7-2-18.13	2005	Citizen Benefit	1	$2,458.0	$6,870.00	Not Reported	Not Reported	**$6,506.00**
25	Rural Health Care Practitioners Credit against PIT	7-2-18.22	2007	Health Care	1	$1,707.0	$5,597.00	Not Reported	Not Reported	**$6,389.6**
26	Tax Increment for Development District Tax "Dedication" of GRT Increments Collected (state portion only)	5-15-15	2006; 2009; 2019	Economic Development	1	Not Reported	$7,809.00	Not Reported	$7,382.00	**$5,960.4**
27	Laboratory Partnership with Small Business Tax Credit against GRT (except Local Option)	7-9E	2000; 2007; 2019	Economic Development	1	Not Reported	$2,400.00	Not Reported	$7,001.00	**$4,661.0**
28	Fees from Social Organizations Exemption from GRT	7-9-39	1969; 77	Citizen Benefit	4	Not Reported	$4,600.00	Not Reported	$4,700.00	**$4,660.0**
29	Textbooks Exemption from GRT	7-9-13.4	2002	Citizen Benefit	4	Not Reported	$4,700.00	Not Reported	$3,800.00	**$4,620.00**
30	Back to School GRT Deduction (Tax Holiday)	7-9-95	2005	Citizen Benefit	4	Not Reported	$4,200.00	Not Reported	$4,300.00	**$3,740.00**
31	Technology Jobs and Research and Development Tax Credit against GRT, Comp or WH and PIT or CIT	7-9F	2000; 2015; 2019	Economic Development	2	$99.0	$908.00	Not Reported	Not Reported	**$3,562.6**

Tax Expenditures and Estimated Costs (in thousands)

	Short Description	Statute	Year Enacted & Amended	TER Category	Reliability Factor	2017 Claims	2017 Amount	2018 Claims	2018 Amount	Five-Year Avg Cost
32	Persons 65 Years of Age or Older Property Tax Rebate from PIT	7-2-18	1977; 81; 93; 97; 99; 2003	Citizen Benefit	1	$15,972.0	$3,305.00	$15,177.00	$3,173.00	**$3,371.00**
33	Jet Fuel GRT and Comp Tax Deduction	7-9-83; 7-9-84	1993; 2003; 2006; 2011	Economic Development	3	Not Reported	$3,100.00	Not Reported	Not Reported	**$3,350.0**
34	Sustainable Building Credit against PIT or CIT	7-2-18.19; 7-2A-21	2007; 2009; 2013	Environment/ Conservation/ Renewables	1	$85.0	$255.00	$140.00	$560.20	**$3,339.3**
35	Low Income Comprehensive Tax Rebate from PIT (>65 & blind)	7-2-14C	1987; 92; 94	Citizen Benefit	1	$15,114.0	$3,160.00	Not Reported	Not Reported	**$3,327.00**
36	Unreimbursed or uncompensated medical care expenses deduction from PIT	7-2-37	2015	Citizen Benefit	1	$297,550.0	$3,021.00	Not Reported	Not Reported	**$3,197.4**
37	Investment Tax Credit against GRT, Comp or WH	7-9A	1979; 83; 86; 88; 90; 91; 97; 2000; 2001; 2002; 2003; 2009	Economic Development	1	Not Reported	$1,157.00	Not Reported	$1,235.00	**$3,094.20**
38	Solar Energy Systems GRT Deduction	7-9-112	2007	Environment/ Conservation/ Renewables	3	Unknown	$2,600.00	Not Reported	Not Reported	**$2,375.00**
39	Software Development Services GRT Deduction	7-9-57.2	2002	Highly Specialized Industry	2	Not Reported	$2,474.00	Not Reported	$2,598.00	**$2,229.8**
40	Solar Market Development Credit against PIT	7-2-18.14	2006; 2009	Environment/ Conservation/ Renewables	1	$326.0	$350.00	Not Reported	Not Reported	**$2,139.2**
41	Food Stamps Exemption from GRT	7-9-18.1	1987	Federal preemption	3		$1,900.00		$1,950.00	**$2,130.00**
42	Rural Job Tax Credit against PIT, CIT or GRT, Comp, WH, ITGRT, 911 and relay svc surcharges (except Local Option)	7-2E-1.1	2007; 2013	Economic Development	2	$3.0	$1,088.00	Not Reported	Not Reported	**$1,836.60**
43	Special Needs Adopted Child Tax Credit against PIT	7-2-18.16	2007	Citizen Benefit	1	$917.0	$1,661.00	Not Reported	Not Reported	**$1,761.00**
44	Medical Services GRT Deduction	7-9-77.1	1998; 2000; 2003; 2005; 2007; 2014; 2016	Highly Specialized Industry	1	Not Reported	$2,724.00	Not Reported	$2,440.00	**$1,607.80**
45	Educational Trust Fund Payments Deduction from PIT	7-2-32	1997	Citizen Benefit	1	$4,417.0	$1,336.00	$4,298.00	$1,417.00	**$1,345.00**
46	Real Estate Transactions GRT Deduction	7-9-66.1	1984; 90	Highly Specialized Industry	3	Not Reported	$1,300.00	Not Reported	Not Reported	**$1,300.00**
47	Microbrewer Beer and Small Wineries Liquor Excise Tax Rate Differentials	7-17-5A(5); (6); (8)	1993; 94; 95; 97; 2000; 2008; 2013; 2019	Highly Specialized Industry	1	Not Reported	$1,417.00	Not Reported	$1,600.00	**$1,248.0**

Tax Expenditures and Estimated Costs (in thousands)

	Short Description	Statute	Year Enacted & Amended	TER Category	Reliability Factor	2017		2018		Five-Year Avg Cost
						Claims	Amount	Claims	Amount	
48	Persons 65 Years of Age or Older or Blind Exemption from PIT	7-2-5.2	1985; 87	Citizen Benefit	1	$93,470.0	$1,076.00	Not Reported	Not Reported	**$1,137.8**
49	Conveyance of Land for Conservation or Preservation Credit against PIT or CIT	7-2-18.10; 7-2A-8.9	2003; 2007	Environment/ Conservation/ Renewables	1	$16.0	$94.90	Not Reported	Not Reported	**$1,045.70**
50	Certain Individuals Exemption from Motor Vehicle Excise Tax (disabled veteran)	7-14-6E	2007	Citizen Benefit	3	Not Reported	$1,220.00	Not Reported	Not Reported	**$1,018.00**
51	Geothermal Ground Coupled Heat Pump Credit against PIT or CIT	7-2-18.24; 7-2A-24	2009	Environment/ Conservation/ Renewables	1	$203.0	$422.20	Not Reported	Not Reported	**$625.4**
52	Low Income Property Tax Rebate from PIT	7-2-14.3	1994; 97; 2003	Citizen Benefit	1	$1,826.0	$564.00	Not Reported	Not Reported	**$585.60**
53	Child Care Credit to Prevent Indigence against PIT	7-2-18.1	1981; 90; 95; 99; 2015	Citizen Benefit	1	$1,419.0	$534.00	$1,422.00	$561.00	**$555.5**
54	R&D Services and Directed Energy and Satellite-Related Inputs Sold to Dept of Defense GRT Deduction	7-9-115	2015; 2019	Highly Specialized Industry	1	Not Reported	$267.60	Not Reported	$789.10	**$528.4**
55	Angel Investment Credit against PIT	7-2-18.17	2007; 2012; 2015	Economic Development	1	$87.0	$439.00	Not Reported	Not Reported	**$457.2**
56	Purses and Jockey Remuneration at NM Racetracks and Gross Amounts Wagered Exemption from GRT	7-9-40A	1970; 71; 85; 89	Highly Specialized Industry	3	Not Reported	$379.00	Not Reported	$389.00	**$390.80**
57	New sustainable building tax credit against PIT or CIT	7-2-18.29; 7-2A-28	2015	Environment/ Conservation/ Renewables	1	$75.0	$385.00	Not Reported	Not Reported	**$385.0**
58	Sales of Tangible Personal Property to Credit Unions GRT Deduction	7-9-61.2	2000	Economic Development	4	$19.0	$350.00	Not Reported	Not Reported	**$343.3**
59	Advanced Energy Credit against GRT, Comp, WH, PIT or CIT	7-2-18.25; 7-2A-25; 7-9G-2	2007; 2009	Economic Development	1	<3	Redacted	<3	Redacted	**$333.3**
60	Commercial Motor Carrier Vehicles Operating Within 10 Miles of Border with Mexico Exemption from Trip Tax and WDT	7-15-3.2; 7-15A-5D	2006	Economic Development	3	Not Reported	$344.00	Not Reported	$379.00	**$319.6**
61	Affordable Housing Tax Credit against PIT, CIT or GRT, Comp, WH, ITGRT, 911 and relay svc surcharges (except Local Option)	7-9I	2005; 2010; 2015	Citizen Benefit	1	$8.0	$105.00	$10.00	$242.00	**$318.3**
62	Hearing and Vision Aides GRT Deduction	7-9-111	2007	Health Care	4	Not Reported	$300.00	Not Reported	$310.00	**$290.0**
63	Border Zone Trade-Support Companies GRT Deduction	7-9-56.3	2003; 2007; 2015	Highly Specialized Industry	2	Not Reported	$264.00	Not Reported	$153.00	**$275.2**
64	Fundraising Events GRT Deduction	7-9-85	1994	Citizen Benefit	4	Not Reported	$270.00	Not Reported	$270.00	**$268.0**

Tax Expenditures and Estimated Costs (in thousands)

	Short Description	Statute	Year Enacted & Amended	TER Category	Reliability Factor	2017 Claims	2017 Amount	2018 Claims	2018 Amount	Five-Year Avg Cost
65	Discount on sale stamps from Cigarette Tax	7-12-7D	1943; 47; 49; 63; 68; 70; 71; 88; 2006; 2010; 2019	Health Care	1	$21.0	$242.10	$13.00	$232.70	**$246.4**
66	Publication Sales GRT Deduction	7-9-63	1969	Highly Specialized Industry	2	Not Reported	$220.00	Not Reported	$221.00	**$228.20**
67	Nonathletic Special Events GRT Deduction	7-9-104	2007; 2012; 2017	Citizen Benefit	3	$10.0	$398.00	$10.00	$147.00	**$199.8**
68	Cultural Property Preservation Credit against PIT or CIT	7-2-18.2; 7-2A-8.6	1984; 86; 2007	Citizen Benefit	1	$42.0	$107.00	Not Reported	Not Reported	**$181.4**
69	Hosting World Wide Web Sites GRT Deduction	7-9-56.2	1998	Economic Development	2	Not Reported	$170.00	Not Reported	$210.00	**$152.0**
70	Biomass-Related Equipment and Biomass Materials Comp Tax Deduction	7-9-98	2005	Environment/ Conservation/ Renewables	4	Not Reported	$250.00	Not Reported	$0.00	**$150.00**
71	Investment Advisory Services GRT Deduction	7-9-108	2007	Economic Development	4	Not Reported	$110.00	Not Reported	$130.00	**$135.0**
72	Unreimbursed or Uncompensated Medical Expenses for Persons 65 Years of Age or Older Exemption from PIT	7-2-5.9	2005	Citizen Benefit	1	$2,568.0	$118.00	Not Reported	Not Reported	**$112.4**
73	Officiating at NM Activities Association-Sanctioned School Events Exemption from GRT	7-9-41.4	2009	Citizen Benefit	4	Not Reported	$114.00	Not Reported	$114.00	**$112.20**
74	Production or Staging of Professional Contests GRT Deduction	7-9-107	2007	Highly Specialized Industry	3	Not Reported	$77.00	Not Reported	$95.00	**$98.4**
75	Persons 100 Years of Age or Older Exemption from PIT	7-2-5.7	2002	Citizen Benefit	2	$130.0	$103.00	Not Reported	Not Reported	**$91.67**
76	Medical Care Savings Accounts Exemption from PIT	7-2-5.6	1995	Citizen Benefit	1	$1,201.0	$77.00	$1,205.00	$75.00	**$87.00**
77	Disabled Person Exemption from Motor Vehicle Excise Tax	7-14-6D	2007	Citizen Benefit	3	Not Reported	$46.00	Not Reported	$46.00	**$49.6**
78	Buses operated by religious or nonprofit organizations Exemption from Weight Distance Tax	7-15A-5C	1988	Citizen Benefit	3	Not Reported	$20.00	Not Reported	$23.00	**$47.0**
79	Agricultural Water Conservation Expenses Credit against PIT or CIT	7-2-18.20; 7-2A-22	2007	Environment/ Conservation/ Renewables	1	<3	Redacted	<3	Redacted	**$17.00**
80	Job Mentorship Programs Credit against PIT or CIT	7-2-18.11; 7-2A-17.1	2003	Citizen Benefit	1	<3	Redacted	Not Reported	Not Reported	**$14.3**
81	National Guard Member Premiums Paid for Life Insurance Exemption from PIT	7-2-5.10	2006	Citizen Benefit	1	$1,225.0	$15.00	$1,131.00	$16.00	**$13.00**

Tax Expenditures and Estimated Costs (in thousands)

	Short Description	Statute	Year Enacted & Amended	TER Category	Reliability Factor	2017 Claims	2017 Amount	2018 Claims	2018 Amount	Five-Year Avg Cost
82	Buses used for transportation of agricultural laborers Exemption from Weight Distance Tax	7-15A-5B	1988	Highly Specialized Industry	3	Not Reported	$0.30	Not Reported	$1.50	**$3.96**
83	Expenses Related to Organ Donation Deduction from PIT	7-2-36	2005	Citizen Benefit	1	$79.0	$2.50	Not Reported	Not Reported	**$2.7**
84	Business Facility Rehabilitation Credit against PIT or CIT	7-2-18.4; 7-2A-15	1994	Economic Development	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
85	Electronic ID Reader Credit against PIT or CIT	7-2-18.8; 7-2A-18	2001	Citizen Benefit	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
86	Blended Biodiesel Fuel Credit against PIT or CIT	7-2-18.21; 7-2A-23	2007	Environment/ Conservation/ Renewables	1	<3	Redacted	$0.00	$0.00	**$0.00**
87	Agricultural Biomass Credit against PIT or CIT	7-2-18.26; 7-2A-26	2010	Environment/ Conservation/ Renewables	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
88	Physician participation in cancer treatment clinical trials credit against PIT	7-2-18.27	2011	Health Care	1	Not Reported	Expired	Not Reported	Expired	**$0.0**
89	Veteran Employment Tax Credit against PIT or CIT	7-2-18.28; 7-2A-27	2012	Citizen Benefit	1	$0.0	$0.00	Not Reported	Not Reported	**$0.0**
90	Venture Capital Investment Credit against PIT	7-2D-8.1	1995	Economic Development	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
91	Biodiesel Blending Facility Credit against GRT or Comp Tax	7-9-79.2	2007	Environment/ Conservation/ Renewables	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
92	Military Acquisition Programs GRT Deduction	7-9-94	2005; 2006; 2015	Highly Specialized Industry	1	<3	Redacted	<3	Redacted	**$0.0**
93	Services Used in Construction of Certain Public Health Care Facilities (Sole Community Providers) GRT Deduction	7-9-99	2006	Health Care	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
94	Construction Equipment and Materials for Certain Public Health Care Facilities (Sole Community Providers) GRT Deduction	7-9-100	2006	Health Care	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
95	Electric Transmission Facilities GRT and Comp Tax Deduction	7-9-101; 7-9-102	2007	Highly Specialized Industry	2	$0.0	$0.00	$0.00	$0.00	**$0.0**
96	Services for Electric Transmission Facilities GRT Deduction	7-9-103	2007	Highly Specialized Industry	2	$0.0	$0.00	$0.00	$0.00	**$0.0**
97	Electricity Conversion GRT Deduction	7-9-103.1	2012	Highly Specialized Industry	1	$0.0	$0.00	$0.00	$0.00	**$0.0**

Tax Expenditures and Estimated Costs (in thousands)

	Short Description	Statute	Year Enacted & Amended	TER Category	Reliability Factor	2017 Claims	2017 Amount	2018 Claims	2018 Amount	Five-Year Avg Cost
98	Electricity Exchange GRT Deduction	7-9-103.2	2012	Highly Specialized Industry	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
99	Military Construction Services GRT Deduction	7-9-106	2007; 2018 (R&R)	Highly Specialized Industry	1	Not Reported	Expired	Not Reported	Not Reported	**$0.0**
100	Advanced Energy GRT and Comp Tax Deduction	7-9-114	2010; 2011	Environment/ Conservation/ Renewables	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
101	Research and Development Small Business Tax Credit against GRT or WH (combined with 7-9F in 2015)	7-9H	2005; 2011; 2015	Economic Development	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
102	Oil and Other Liquid Hydrocarbons Rate Differential from Oil and Gas Severance Tax	7-29-4A(3), (5), (8), (9)	1992; 95; 99	Highly Specialized Industry	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
103	Natural Gas Rate Differential from Oil and Gas Severance Tax	7-29-4A(4), (6), (7)	1995; 99	Highly Specialized Industry	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
104	Natural Gas from Production Restoration Project Exemption from Oil and Gas Severance Tax	7-29-4B(1)	1995	Highly Specialized Industry	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
105	Oil and Other Liquid Hydrocarbons from Production Restoration Project Exemption from Oil and Gas Severance Tax	7-29-4B(2)	1995	Highly Specialized Industry	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
106	Oil and Other Liquid Hydrocarbons Rate Differential from Oil and Gas Emergency School Tax	7-31-4A(4), (5)	1999	Highly Specialized Industry	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
107	Natural Gas Rate Differential from Oil and Gas Emergency School Tax	7-31-4A(6), (7)	1999	Highly Specialized Industry	1	$0.0	$0.00	$0.00	$0.00	**$0.0**
108	Corporate Supported Child Care Credit against CIT	7-2A-14	1983; 86; 95	Citizen Benefit	Unkown	Unknown	Unknown	Unknown	Unknown	**Unknown**
109	Apportionment Election of CIT (single sales - headquarters)	7-4-10C	2015; 2019	Economic Development	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
110	Fuel Used in Space Vehicles Exemption from GRT or Comp	7-9-26.1	2003	Highly Specialized Industry	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
111	Railroad Equipment Exemption from Comp Tax	7-9-30A	1969	Highly Specialized Industry	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
112	Commercial aircraft used in interstate commerce Exemption from Comp Tax	7-9-30B	1988	Highly Specialized Industry	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**

Tax Expenditures and Estimated Costs (in thousands)

	Short Description	Statute	Year Enacted & Amended	TER Category	Reliability Factor	2017 Claims	2017 Amount	2018 Claims	2018 Amount	Five-Year Avg Cost
113	Space Vehicles Exemption from Comp Tax	7-9-30C	2003	Highly Specialized Industry	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
114	Disabled Street Vendors Exemption from GRT	7-9-41.3	2007	Citizen Benefit	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
115	Spaceport-Related Transactions GRT Deduction	7-9-54.2	1995; 97; 2001; 2003; 2007	Highly Specialized Industry	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
116	Wind and Solar Generation Equipment GRT Deduction	7-9-54.3	2002; 2010	Environment/ Conservation/ Renewables	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
117	Space-Related Test Articles Comp Tax Deduction	7-9-54.4	2003	Highly Specialized Industry	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
118	Test Articles Comp Tax Deduction	7-9-54.5	2004	Highly Specialized Industry	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
119	Certain Services to an Out-of-State Buyer GRT Deduction	7-9-57	1969; 73; 77; 83; 88; 89; 98; 2000	Economic Development	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
120	Loans GRT Deduction	7-9-61.1	1981	Citizen Benefit	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
121	Uranium Enrichment Plant Equipment Comp Tax Deduction	7-9-78.1	1999	Highly Specialized Industry	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
122	Film Companies GRT and GGRT Deduction	7-9-86	1995; 2003	Economic Development	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
123	Contribution of Inventory to Non-Profits & Gov'tal Agencies Comp Tax Deduction	7-9-91	2001	Citizen Benefit	NDA	Unknown	Unknown	Unknown	Unknown	**Unknown**
124	Aircraft manufacturer selling aircraft, support and services GRT Deduction	7-9-62B	1969; 75; 98; 2000; 2007; 2014	Highly Specialized Industry	2	Unknown	See 7-9-62(A)	Unknown	See 7-9-62(A)	**See 7-9-62(A)**
125	Selling aircraft parts and maintenance services GRT Deduction	7-9-62C	2014	Highly Specialized Industry	2	Unknown	See 7-9-62(A)	Unknown	See 7-9-62(A)	**See 7-9-62(A)**
126	Use of Property by Nonprofit Organizations Exemption from Comp Tax	7-9-15	1969; 70; 83; 90	Citizen Benefit	4	Unknown	See 7-9-60	Unknown	See 7-9-60	**See 7-9-60**
127	Aircraft Sales and Services GRT Deduction	7-9-62.1	2000; 2005; 2014	Economic Development	2	<3	Redacted	<3	Redacted	**Redacted**
128	Enriched Uranium GRT Deduction	7-9-90	1999; 2012	Highly Specialized Industry	1	<3	Redacted	<3	Redacted	**Redacted**

Tax Expenditures and Estimated Costs (in thousands)

	Short Description	Statute	Year Enacted & Amended	TER Category	Reliability Factor	2017 Claims	2017 Amount	2018 Claims	2018 Amount	Five-Year Avg Cost
129	Alternative Energy Product Manufacturers Tax Credit against GRT, Comp, WH, ITGRT, 911 and relay svc surcharges (except Local Option)	7-9J	2007; 2011	Economic Development	1	<3	Redacted	<3	Redacted	**Redacted**

Sources: Legislative Council Service *Tax Deviation Report* , Taxation and Revenue Department *Tax Expenditure Report* , LFC files