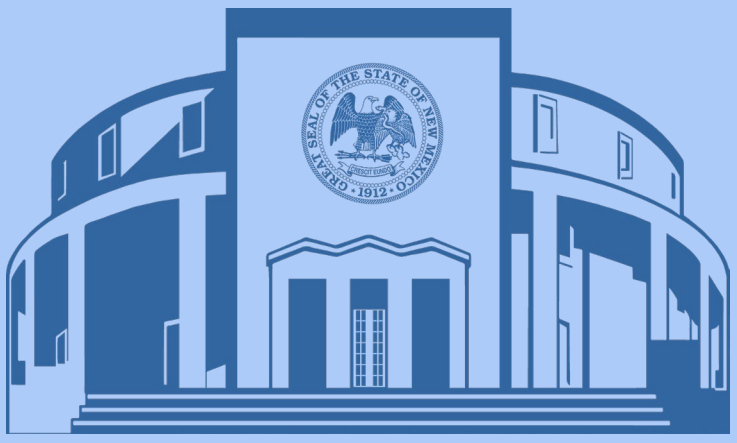
New Mexico Legislative Finance Committee
Policy Spotlight

Stacking Business Incentives



November 16, 2026

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NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

Policy Spotlight: Stacking Business Incentives

REPORT SUMMARY MONTH YEAR

TOP TAKEAWAY

New Mexico delivers business assistance through multiple agencies and local governments. Combining incentives can address distinct business needs, but separate approvals and incomplete reporting limit the state's ability to assess total public costs and resulting jobs, wages, and investment. Tax benefits extend stacking beyond major company-specific awards, while gaps in available data obscure the extent and value of tax breaks. Effectiveness depends on whether the combined assistance produces benefits that justify the costs. A statewide framework linking assistance to measurable outcomes and shared project reporting would help policymakers assess results and guide further funding.

THE ISSUE

New Mexico has lagged national and peer benchmarks on employment, income, and other economic indicators. To encourage business investment and job creation, the state supports a substantial portfolio of grants, tax benefits, financing, workforce training, and infrastructure investments. Recent appropriations have expanded this support and added initiatives targeting particular industries and development needs. Several state agencies and local governments may support the same business or development, making combined costs and results important considerations when policymakers assess requests for further funding.

Previous LFC evaluations have largely examined individual programs while calling for company-level accounting of public support, reporting of actual jobs and wages, and stronger assessment of outcomes. This report builds on that work by examining how businesses combine assistance and whether existing reviews and reporting capture the full package's costs and results. Assistance can address complementary needs, such as facilities, equipment, and worker training, but separate awards may rely on the same jobs and investment to justify additional public costs. A consistent picture of combined support and outcomes would help policymakers assess further funding, track whether businesses meet commitments, and determine whether public investments advance the state's economic development goals.

KEY FINDINGS

- New Mexico provided at least $734 million for economic development through tax benefits, direct awards, and infrastructure in the 2024-2025 fiscal year, with additional funding available through recent nonrecurring appropriations.
- Businesses can combine incentives across separately administered programs, but stacking is concentrated in key industries and is relatively uncommon.
- Separate program reporting does not establish how many jobs combined assistance creates, what these jobs pay, or the total public cost.

Table 1. FY25 State Economic Development Expenditures
(in millions)

Individual businesses can receive several forms of public support, combining grants, tax benefits, and financing.		
Tax Benefits		
Tax Expenditures	$520	
Industrial Revenue Bonds	$111	
Tax Increment Development Districts	$8.2	
Business awards and direct appropriations		
Local Economic Development Act	$21.8	
Job Training Incentive Program	$8.5	
Other Economic Development Department Spending	$64	
Total	**$733.5**	
In addition, much more was made available for companies to access		
Select New Mexico Finance Authority Financing	$180	State capitalization for lending and venture through FY25
State Investment Council Venture Capital	Up to $445	FY25 commitments to VC funds, unclear how much to New Mexico
2025 New Nonrecurring	$197	Amount of Nonrecurring Passed during 2025 legislative session.

Note: Other EDD spending includes FY25-audit-listed expenditures from non-JTIP, LEDA, and federal funds, including operating, capital outlay, creative industries, special projects, etc., with "personnel costs" removed. NMFA includes appropriations for commercial development, venture capital, and Green Bank but excludes federal state small business credit initiative funding.

Source: TRD TER reports, SHARE, EDD ACFR, LFC Volume II, Agency Publications, and LFC analysis

LFC Policy Spotlights determine the current situation of a specific performance challenge or policy topic and assess best practices and potential solutions. Topics often involve multiple state agencies.

Background

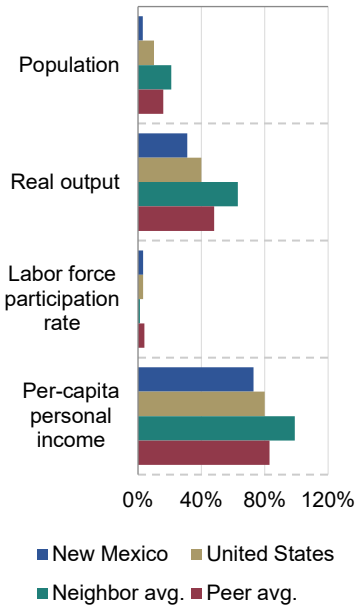
New Mexico has historically lagged national and regional peers in income, employment growth, and economic output. Well-designed business incentives can encourage investment and hiring, particularly when targeting export-oriented industries and distressed areas. However, benefits attributable to government assistance depend on whether they generate economic activity beyond what would have occurred without that support.

New Mexico employs 690 thousand private sector workers, but broader economic growth has lagged comparison states.

New Mexico's economic growth has lagged national, neighboring-state, and peer-state benchmarks, providing context for business incentives intended to increase employment and investment.

New Mexico's economy grew between 2010 and 2024, but generally more slowly than the nation and the neighboring and peer states grew. Inflation-adjusted economic output increased 31 percent in New Mexico, compared with 39 percent nationally, 64 percent for the neighboring-state group, and 49 percent for the peer-state group. Population grew just 3 percent, substantially below the comparison groups. New Mexico's output per person increased slightly faster than the national rate, but this can be attributed to slow population growth.

Chart 1. New Mexico Growth
2010-2024



Note: Peer states include select, nonregional states with similar closing fund programs, including Virginia, South Carolina, and Tennessee

Source: BLS, QCEW

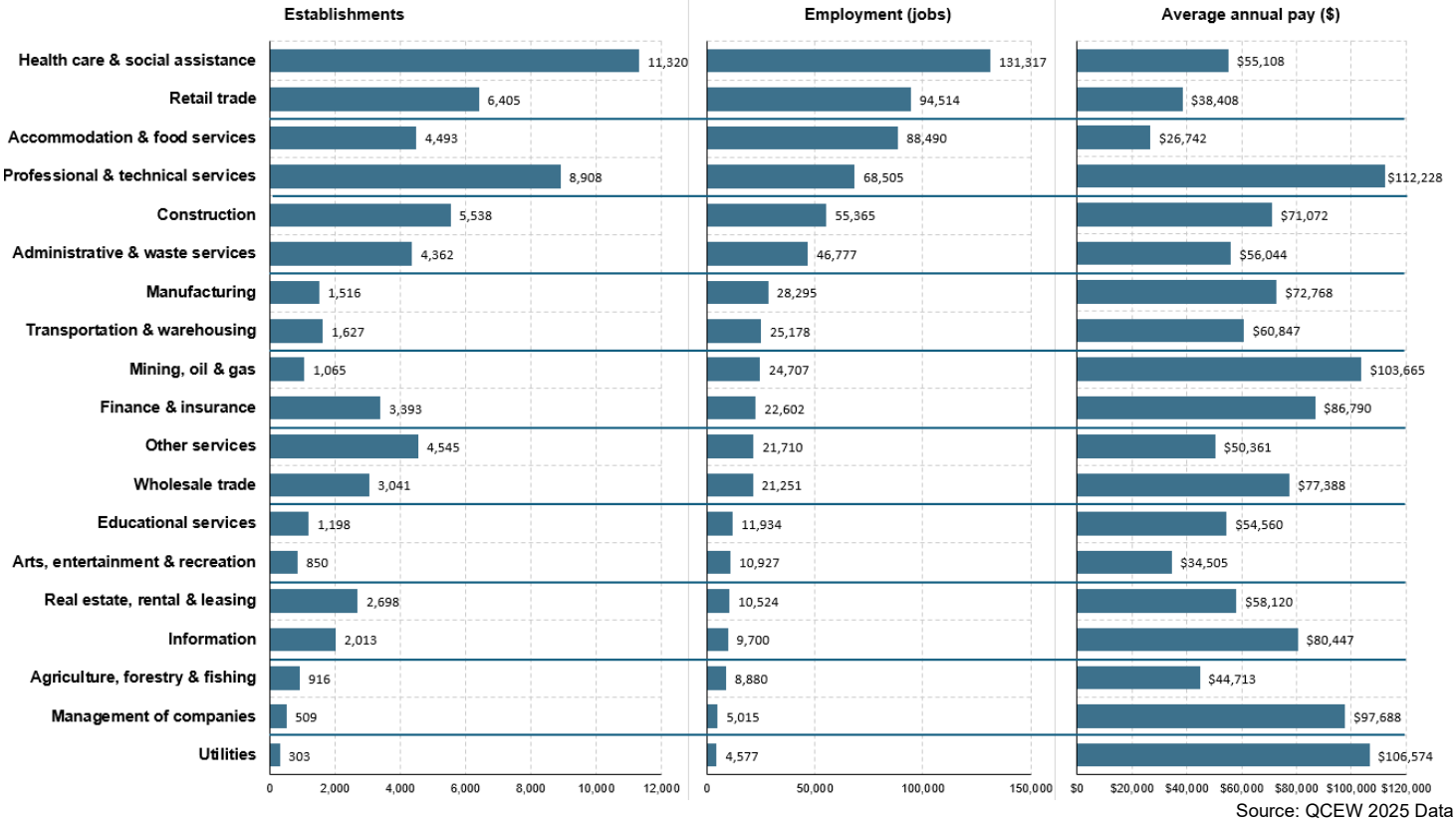
Income and labor-market measures show similar, slow progress alongside persistent disparities. According to the federal Bureau of Labor Statistics (BLS), in 2024, personal income per person was approximately $58 thousand in New Mexico, compared with $73 thousand nationally and $63 thousand among peer states. According to BLS data, New Mexico's unemployment rate declined from 7.8 percent in 2010 to 4.1 percent in 2024, approaching the national rate. However, only 57.7 percent of the civilian noninstitutional population age 16 and older was working or looking for work, compared with 62.6 percent nationally, 65.3 percent among neighboring states, and 60 percent among peers. These differences highlight the importance of considering employment opportunities and residents' incomes alongside overall economic growth.

In 2025, New Mexico's private sector employed approximately 690 thousand workers across 65 thousand establishments. In 2025, healthcare and social assistance, retail trade, and accommodation and food services together accounted for nearly half of the state's private-sector jobs. New Mexico's largest employers are not necessarily the primary targets of its business incentives. Much of this employment serves demand for healthcare, goods, food, and lodging. Incentives often seek to expand a different source of demand, such as sales of New Mexico goods and

services to customers outside the state, bringing income into the economy that can support other businesses and jobs.

The Economic Development Department and administrators of other incentive tools often target key industries, even though they may not employ the most workers. Manufacturing tends to concentrate employment in larger establishments, while the professional, scientific, and technical services category has many more establishments with fewer employees on average. Both offer relatively high average pay, although broad industry categories encompass businesses with different wages, activities, and growth prospects.

Chart 2. Establishments, Employment, and Wages by Industry



Source: QCEW 2025 Data

Economic development incentives are meant to increase economic well-being.

Business incentives can increase employment and investment, but their effectiveness varies substantially by program design and purpose, target-company characteristics, and local economic conditions. Past LFC reports have examined additionality, industry multipliers, and the way program administration shapes the effectiveness of economic development tools.

Image 1. Previous LFC Analysis on Maximizing Economic Development Strategies



Source: Adapted from LFC Report "Overview of New Mexico Economy and Workforce" May 2026

Export-oriented businesses can bring additional spending into New Mexico, supporting suppliers and employee spending, as well as direct employment. Economic development literature establishes several best practices for targeting industries with incentives. One is to prioritize economic "base industries," or export-oriented industries that sell goods and services out of state. These businesses bring additional money into the economy, supporting growth rather than primarily circulating local spending; in contrast, incentives for businesses serving local markets, such as retailers, may shift money among competitors rather than generate new activity.

Further, certain export industries, such as manufacturing, can also have large economic multipliers because of their supply-chain purchases and employee spending. According to the Economic Policy Institute, a left-leaning economic policy think tank, such industries may purchase large amounts of materials, equipment, and local services, which can create local jobs for suppliers, while personal spending by the workers can support further jobs and economic growth. The magnitude of such multiplier effects depends on the industry's wages and the nature of their purchasing patterns.

Targeting economically distressed areas can increase the benefits of new employment. Research from the Upjohn Institute, which studies employment issues, finds that new jobs are more likely to employ existing residents who are not working, producing larger gains in local employment and earnings in areas with low employment rates. These benefits depend on whether residents can access and fill the new jobs; eligibility for an incentive alone does not establish that it produces these results.

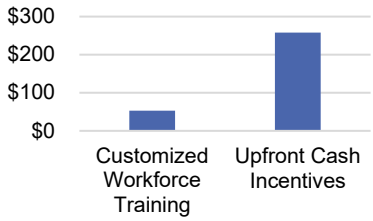
Employer-focused workforce training can generate more jobs per public dollar than tax breaks or cash grants. A 2026 research review by the Upjohn Institute, a nonpartisan employment research institute, estimates customized job training costs about $53 thousand per additional job, compared with $258 thousand for upfront cash incentives. Training

Multiplier Effects Illustrated: Jobs Created Outside this Industry per 100 Employees

Industry	Jobs created per 100
Mining	390
Utilities	958
Retail Trade	122
Warehousing	276
Durable Manufacturing	744
Construction	226
Educational Services	193
Educational and Food Services	121

Source: Economic Policy Institute

Chart 3. Cost per Job
(thousands)

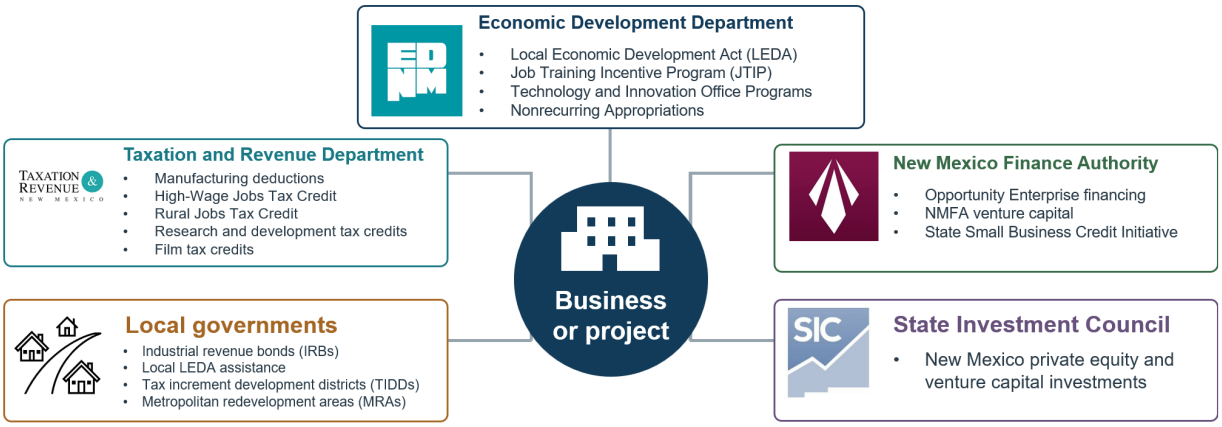


Source: Upjohn Institute Technical Report 2026

tailored to employers' needs can improve productivity and help local residents access jobs. New Mexico's expanded investment in community-college workforce programs offers an opportunity to strengthen these connections, although results depend on program quality and employer alignment.

Multiple agencies and levels of government deliver New Mexico's business incentives and economic development assistance. The Economic Development Department (EDD) leads the state's economic development efforts, with a statutory purpose that includes providing a coordinated statewide perspective, encouraging business recruitment and expansion, and monitoring state-supported economic development activities. Responsibility for delivering assistance, however, extends across several public entities. EDD's business expansion and workforce training support operates alongside tax incentives administered by the Taxation and Revenue Department (TRD) and financing and investment provided through the New Mexico Finance Authority (NMFA) and State Investment Council (SIC). Local governments add tax benefits, infrastructure, and development agreements, sometimes drawing on state or federal funding. A single project can, therefore, involve several public entities, each with its own approval process, requirements, and reporting practices.

Image 2. Public Entities Involved in Economic Development



Source: LFC Analysis

New Mexico's business incentives are generally designed to support manufacturing, export-oriented businesses, and other base industries. Eligibility for New Mexico business incentives varies across programs, but most are generally designed for target industries. The state supports these businesses through grants, worker training, tax benefits, and financing. The Job Training Incentive Program (JTIP) reimburses eligible employers for part of the cost of training workers for new jobs. State grants under the Local Economic Development Act (LEDA) help businesses establish or expand facilities. Both programs generally support manufacturers and qualifying service businesses that sell outside the state. Other incentives reduce taxes for businesses that meet requirements related to wages, location, or qualifying purchases, such as manufacturing equipment. Loans, venture capital investments, and redevelopment programs serve additional business and community needs, with some also supporting retail and other businesses that primarily serve local customers.

Target Industries/Criteria by Program Type

- **Local Economic Development Act** – Manufacturers and nonretail service businesses who expand or relocate within New Mexico
- **Job Training Incentive Program** – Manufacturing, warehousing, and other businesses who create eligible new jobs
- **Industrial Revenue Bonds** – Manufacturing, warehousing, renewable energy, and other eligible projects
- **Metropolitan Redevelopment Areas** – Developers operating in distressed areas
- **Opportunity Enterprise Commercial Development** – Developers for financing commercial real estate to expand economic opportunity when other financing is unavailable
- **State Investment Council Funding** – Advanced technology and science
- **Select Tax Credits**
  - **High-Wage Jobs Tax Credit** – JTIP-eligible companies creating new jobs
  - **Rural Jobs Tax Credit** – JTIP-eligible companies creating jobs in rural areas
  - **Manufacturers Gross Receipts Tax Deductions and Corporate Income Tax Apportionment** – Manufacturing firms

New Mexico's economic development plans provide a strategic rationale for public investment but do not consistently quantify the economic results expected from those investments. EDD's 2021 plan established a 20-year vision, six strategies, nine target industries, and implementation roles and timeframes for EDD and partner organizations. Its 59 performance measures, retained in the 2023 update, recognize that success involves wages, graduate retention, business growth, and economic participation, as well as job creation. However, most targets specify a direction of improvement rather than a numerical result. The framework, therefore, identifies relevant outcomes without consistently defining how much progress public efforts should produce or when it should occur. EDD's planning provides a foundation for assessing progress, but the broader incentive system also includes locally authorized industrial revenue bonds and tax credits administered outside EDD. The statewide challenge is to connect these separate forms of assistance to shared economic goals and assess their combined costs and results.

Image 3. Sample Metric from 2021 EDD *Empower and Collaborate* Strategic Plan

Metric 6.0.2: Target industries' share of New Mexico's total employment

Target:	*Unit:*	*Source:*	*Dataset:*
	Percentage	Bureau of Labor Statics	Quarter Census of Employment and Wages

Source: EDD 2021 "Empower and Collaborate"

Newer plans sharpen the state's goals and investment priorities while leaving important expectations unresolved. The 2025 update highlights "unifying goals" in a callout box, including greater economic diversification by 2035, stronger fiscal resilience, and improved rankings in business friendliness and startup activity. The Science and Technology roadmap proposes industry centers connecting businesses, research institutions, workforce providers, and government in quantum systems, advanced energy, and space, aerospace, and defense. It specifies some

capacity and recruitment objectives, including space for 10 to 20 quantum companies and at least one anchor manufacturer per advanced-energy technology category, as well as short-term and intermediate costs. These objectives explain what the state would help establish but do not quantify the sustained employment, resident earnings, or economic returns expected from the proposed support.

Table 2. Summary of State Strategic Plans

Planning framework	What the plan establishes	What remains unspecified or unreported in the reviewed document
2021 plan, retained in 2023	A 20-year vision; six strategies; nine target industries; implementation roles and timeframes; 59 measures. Target-industry employment should grow faster than nationally.	Most targets indicate a direction of improvement without a numerical threshold for success.
2025 state plan update	Additional ranking goals; reported completion of approximately 40% of original recommendations.	Comprehensive results against the earlier measures; intermediate diversification milestones; associated employment and earnings targets.
2025 S&T roadmap	Three priority opportunity areas; proposed industry centers and resource estimates; space for 10–20 quantum companies; at least 10 years of center operating support; short-term and intermediate costs.	Comprehensive employment targets for the priority areas; expected earnings gains; a dated set of intermediate economic results linked to the proposed investments.

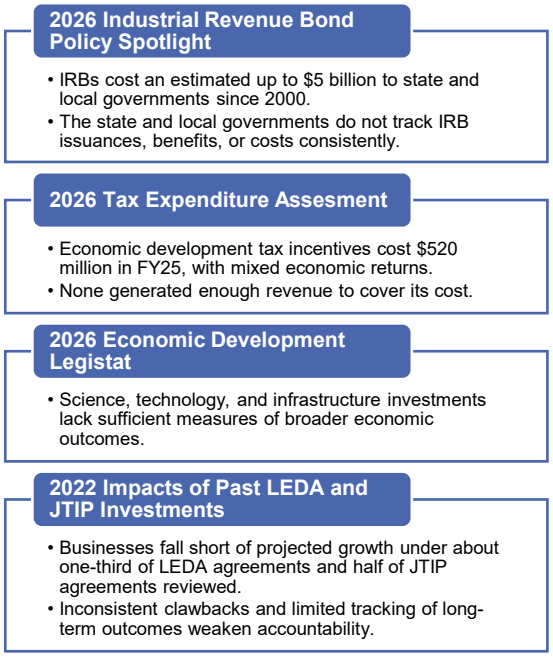
Source: EDD 2021, 2023, 2025 Strategic Reports and Updates, 2025 Science and Technology Roadmap

The distinction between implementing initiatives and achieving economic outcomes becomes more important as the state undertakes sustained investments. EDD reports completing approximately 40 percent of the original plan's recommendations, but its 2025 update does not comprehensively report performance against the earlier outcome framework. A May 2026 LegisStat review raised a related question, asking whether the new Technology and Innovation Office had considered measuring jobs created by supported companies, wage growth within target sectors, and sector employment growth; the office lacked job or wage performance measures, while EDD's JTIP and LEDA job measures tracked approved or committed positions rather than actual jobs created.

The S&T roadmap anticipates at least 10 years of operating support for proposed centers and cautions that some actions may take 10 years or more to show measurable impacts. Long development periods make intermediate milestones necessary to assess whether facilities, financing, and business assistance are producing commercial activity and employment in New Mexico. The plans establish a foundation for that assessment but do not provide a complete account of how combined government assistance is expected to advance the goals or whether the resulting gains justify its costs.

Previous LFC reviews have identified recurring concerns about the costs, targeting, and results of New Mexico's economic development assistance. Evaluations of LEDA, JTIP, industrial revenue bonds (IRBs), and tax expenditures found gaps in performance reporting, uneven results, and limited information on whether public benefits justify public costs. LegiStat hearings also examined how agency spending and strategies support economic diversification and higher-wage employment. The 2022 LEDA and JTIP evaluation specifically recommended reporting incentives by company to capture total public investment. This report builds on that work by examining how businesses combine assistance across programs and whether existing requirements and reporting allow policymakers to assess the full package.

Image 4. Findings From Previous LFC Reports



Note: LFC has published additional reports on workforce development, economic conditions, place-based development, and related topics. These reviews provide context but have not comprehensively measured the combined costs and outcomes of incentives received by the same businesses or projects.

Source: LFC

New Mexico Provided at Least $734 Million for Economic Development Through Tax Benefits, Direct Awards, and Infrastructure in FY25, as Well as Additional One-Time Funding

New Mexico's business-assistance portfolio includes site preparation, capital investment, workforce development, business financing, tax credits, and direct awards. These tools have different fiscal effects; grants pay for eligible costs, tax expenditures reduce tax payments, loans and equity provide capital, and infrastructure investments can serve multiple businesses. Understanding the scale of each strategy requires separate measures of annual fiscal activity and funding appropriate or committed for use over several years.



Source: AI-Generated Design Adapted with LFC Analysis

Tax incentives comprise the largest share of annual support for economic development assistance.

Tax benefits account for the largest share of assistance received by businesses, including an estimated $520 million in state economic development tax expenditures in the 2024-2025 fiscal year (FY25) and $111 million annually in forgone state gross receipts tax revenue from industrial revenue bonds.

Economic development tax expenditures account for $520 million in forgone state revenue per year. According to Taxation and Revenue reports, the state currently forgoes over $520 million annually through economic development tax incentives; however, this does not include 19 other incentives that target corporate income tax and, therefore, aid businesses, such as incentives designed to encourage environmental practices for example, which are categorized differently.

Two manufacturing gross receipts tax deductions and a manufacturing apportionment election accounted for the largest share of tax expenditures in FY25. The gross receipts tax deduction for sales of equipment to manufacturers is intended both as an economic development incentive to encourage businesses to locate here and as an attempt to reduce pyramiding, or the repeated taxation of inputs at successive stages of production. According to the Tax Foundation, a right-leaning tax policy think tank, 41 states do not tax manufacturing inputs, so while this deduction is in line with many other states, it still accounts for the largest annual expenditure. Furthermore, according to the 2026 LFC *Tax Expenditure Assessment*, all expenditures had a negative return in revenue (RIR), meaning the forgone revenue exceeds the state tax revenue generated by new activity. On the other hand, some had a positive return on investment (ROI), meaning that while they may not have generated enough tax revenue to cover their cost, they generate additional economic benefits.

IRBs allow local governments to provide substantial tax benefits to private development projects, exempting both state and local taxes. Under these arrangements, a county or municipality holds legal title to the project property and leases it to the business, enabling property tax abatements and gross receipts tax exemptions on qualifying purchases. The business remains responsible for bond repayment; the public contribution is primarily forgone tax revenue. LFC's July 2026 *Policy Spotlight: Industrial Revenue Bonds* identified approximately 210 IRB issuances between 2000 and 2025 and estimated associated state and local tax benefits to companies of up to $5.3 billion, including $115 million per year in local tax subsidies and $111 million per year in state tax subsidies on average. Use has expanded toward large, capital-intensive projects, including renewable energy facilities, manufacturing, and data centers. IRBs are locally negotiated, with sparse reporting

Table 3. FY25 Economic Development Tax Expenditures
(in millions)

Tax Expenditures		ROI	RIR
Sales to Manufacturers Deduction	$270	25%	-92%
Apportionment Election for Manufacturers	$81	-42%	-96%
Sales of Services to Manufacturers	$37	-36%	-96%
Film Production Tax Credit	$34	8%	-94%
Sale of Software Development Services	$17	-6%	-96%
DoD Directed Energy & Satellites	$11	-37%	-96%
LEDA GRT Distributions	$11	9%	-96%
Durable Medical Equipment	$10	-63%	-98%
High-Wage Jobs Tax Credit	$9	33%	-92%
Other	$40	Varies	
Total	**$520**	**1.4%**	**-91%**

Note: Economic ROI represents the impact an expenditure has on the New Mexico economy, measured through the GDP increase. An economic ROI of 50% means for every $1 spent, the New Mexico economy grows by 50 cents. An economic ROI of negative 50% means for every $1 spent, the New Mexico economy shrinks by 50 cents. The return in revenue is calculated as the impact to tax revenues. A return in revenue of negative 95% means that for every $1 spent, the state forgoes 95 cents and recaptures 5 cents in new tax revenue.

Discretionary vs. Eligibility-Based Incentives

Discretionary incentives allow public officials to select projects or determine assistance amounts and terms, while eligibility-based incentives generally provide benefits to businesses meeting statutory requirements, subject to verification. Examples include locally approved IRB arrangements and negotiated LEDA awards, compared with a tax deduction available to all qualifying businesses.

Discretionary assistance offers flexibility to target projects and negotiate public benefits, while eligibility-based incentives offer more predictable treatment across qualifying businesses; effectiveness depends on targeting, administration, and whether assistance changes business decisions.

Virginia's Joint Legislative Audit and Review Commission estimated higher economic benefits and state-revenue returns per dollar for discretionary grants than for tax incentives, attributing the difference partly to industry targeting, performance requirements, and a greater likelihood of influencing business decisions, but these returns depend upon administration and the effectiveness with which projects are vetted and supported.

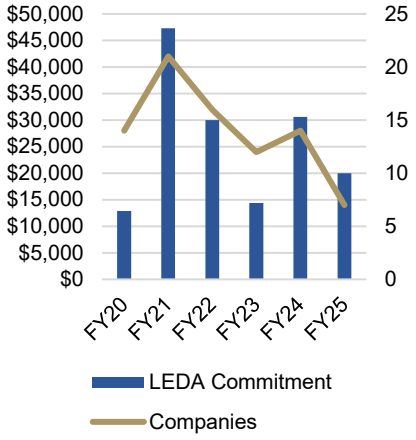
requirements, despite the tool allowing widespread tax exemptions affecting state, county, municipality, and school district revenue.

The Local Economic Development Act and Job Training Incentive Program are New Mexico's primary direct business incentive programs, providing financial assistance to businesses expanding or relocating to the state. LEDA provides grants to support business development, including land, buildings, infrastructure, and other eligible project costs, generally in exchange for commitments to create jobs and make capital investments. In FY25, LEDA awards included commitments of $20 million, supporting seven companies and 2,712 jobs. Although these commitments for jobs are included as performance measures for EDD, these numbers represent committed funds, as opposed to actual expenditures, capital investment, and jobs created.

JTIP reimburses eligible businesses for a portion of wages paid to newly hired workers during training. In FY25, JTIP approved approximately $31 million in funding to train 1,600 workers at an average wage of $34.95 per hour, although actual expenditures and reported hires have historically come in below initial awards and projections. Both programs establish performance expectations and report outcomes, although awards, actual expenditures, and realized economic benefits can differ.

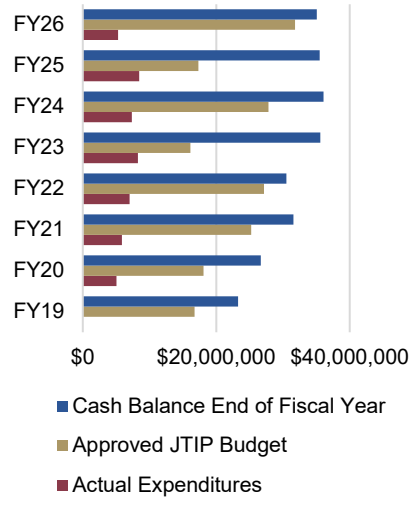
JTIP and LEDA cash balances have continued to grow as approved awards and encumbrances continue to exceed actual reimbursements. The 2022 program evaluation *Impacts of JTIP and LEDA Awards* found that JTIP and LEDA both have seen increasing fund balances and awards growing faster than expenditures. This trend has continued, with the JTIP fund cash balance growing even higher, to $35 million, even as annual payments to companies remained comparatively low, ranging from about $5 million to $9 million annually between 2020 and 2025. Because JTIP is reimbursable, payments generally occur after a lag, potentially about six months after an award, yet the persistent gap between approved budgets and actual vouchers suggests that not all approved funding is ultimately drawn down. In its response to the 2022 evaluation, EDD explained it had moved from encumbering awards based on historical utilization to encumbering 100 percent of each potential award, ensuring funds are available if a company meets all program requirements; the agency noted this approach can result in larger reversions. Although reserving sufficient funds for approved awards can be prudent, consistently treating the full potential value of awards as committed has overstated expected program spending and makes available fund balances more difficult to interpret.

Chart 4. LEDA Commitments by Year
(thousands)



Note: Commitments do not equal actual expenditures or jobs created.

Chart 5. JTIP Fund Cash Balances, Awards, and Spending



Note: 2019 not included in SHARE. Because JTIP funds function as reimbursement, vouchers may be dispersed in a different fiscal year than the award.
Source: 63800 Fund Balance, EDD Publications, SHARE Vouchers

State and federal financing programs seek to expand access to capital for businesses to start, operate, and expand in New Mexico. These tools include loans, collateral assistance, loan-loss reserves, and equity investments intended to supplement private financing or reduce the risk borne by private lenders and investors. The Economic Development Department and New Mexico Finance Authority (NMFA) administer New Mexico's $74.5 million federal State Small Business Credit Initiative allocation through four programs supporting collateral assistance, capital access, loan participation, and venture capital. Other tools, including NMFA's opportunity enterprise revolving fund, support financing for commercial development and facilities needed for business growth.

Public investment programs also provide access to early-stage and growth capital, often through outside investment funds that select and finance individual businesses. NMFA's Venture Capital Program combines state and federal resources to support new and expanding businesses and advance economic-development objectives, including job creation, diversification, and access to capital in underserved communities. The State Investment Council also invests in New Mexico-focused private-equity and venture-capital funds through its investment programs. These financing mechanisms address different business needs; debt generally requires repayment, while equity provides capital in exchange for an ownership interest and the opportunity to earn investment returns.

Site-development and place-based programs intend to support the physical infrastructure and development conditions needed to attract and expand businesses. Assistance can fund planning, environmental and engineering studies, roads, utilities, and other improvements that prepare sites for development. EDD operates New Mexico's Strategic Site Readiness Program, which received $24 million during the 2025 legislative session, and supports this predevelopment work, helping communities prepare sites for construction and reduce the time and uncertainty associated with locating a project. Other financing tools can support commercial buildings and facilities needed to accommodate businesses. Currently, EDD has designated 26 strategic sites across the state. A strategic site inside a tax increment development district (TIDD) reveals another potential stack as the program expands.

Nonrecurring appropriations to EDD totaled $622 million between the 2022 and 2026 legislative sessions, primarily for new science and technology initiatives and infrastructure investments. Annual nonrecurring appropriations to the Economic Development Department increased from $56 million in 2022 to $267 million in 2026. Major investments included $150 million for the research, development, and deployment fund, intended to build, attract, and scale companies in targeted advanced-technology sectors while leveraging outside investment; $110 million for quantum-related initiatives; and substantial infrastructure funding through LEDA and the trade ports development fund. Meanwhile, EDD's operating budget also expanded from $20 million in FY24 to $33

How Public Financing Supports Business

Loans: $110 million for OECD; $27 million for SSBCI

Public funds provide a loan or finance part of a loan alongside a private lender or local bank. *Example: NMFA business lending and loan participation*

Credit support: $25 million allocated

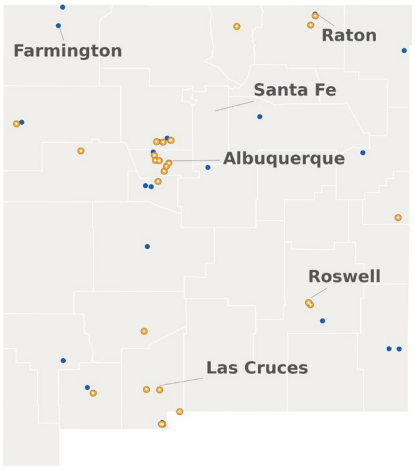
Public funds back a private loan through pledged collateral or a reserve to cover lender losses.
Example: EDD collateral assistance; NMFA capital access

Equity and investment funds: $57 million for NMFA venture capital; $455 in SIC venture capital commitments.

Investors provide capital in exchange for an ownership interest, with returns depending on performance.
Example: NMFA venture capital; SIC backed private equity and venture funds.

Source: LFC Analysis

Image 5. Designated and Evaluated Strategic Sites



Source: LFC Analysis

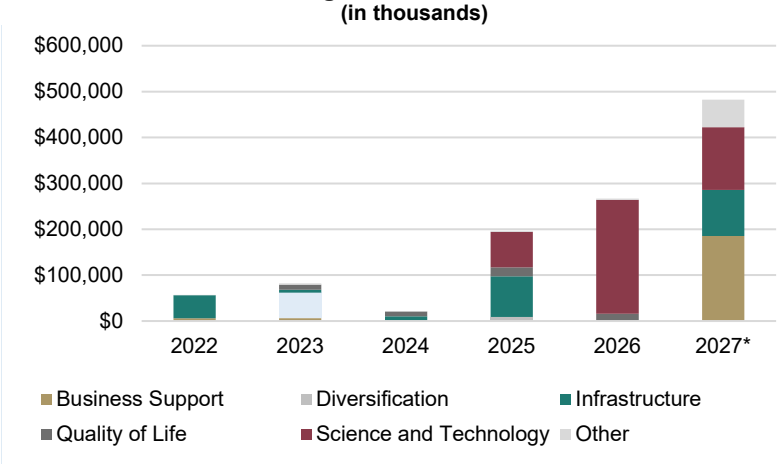
million in FY26, reflecting the additional administrative capacity needed to establish and oversee a growing portfolio of nonrecurring grant programs.

Because these programs are new and little funding has yet been encumbered or expended, their economic outcomes and returns are not yet known.

For FY28, EDD has requested $482 million in nonrecurring funding, although several programs fund balances contain unencumbered funds. For the 2027 legislative session, EDD has requested FY28 funding that includes $75 million for LEDA and $10 million for JTIP; $100 million each for the research, development, and deployment fund, site readiness, and the commercial component of the opportunity enterprise fund; and $50 million for the film loan fund. Additional requests would expand science and technology priorities through $20 million in sector grants, $8 million in Technology and Innovation Office grants, and $9 million for innovators, accelerators, and innovation hubs.

Although these requests remain subject to legislative approval, their scale highlights the importance of assessing new funding alongside existing resources and commitments. Several programs retain unencumbered balances, making expected demand, project readiness, and spending timelines relevant to the amounts and timing of additional appropriations. For newer initiatives, funding decisions also provide an opportunity to establish measurable objectives and reporting requirements before further expansion. Reporting that connects appropriations to commitments, expenditures, and results would help the Legislature distinguish resources needed for planned projects from funding available to support additional activity.

Chart 6. EDD Nonrecurring Appropriations by Category by Legislative Session
(in thousands)



Note: 2027 is the agency request for the 2027 session and does not represent approved amounts
Source: LFC Analysis of Department of Finance and Administration Budget Tables

Table 3. Comparison of Reporting Requirements for Trade Ports Fund Projects and Research, Development, and Deployment Projects

Category	Research, Development and Deployment Fund	Trade Ports Development Fund
Recipients	Governor, LFC, appropriate interim committees	Governor, LFC
Description Requirements	Projects awarded funding	Approved projects, description of the businesses, grant and loan applications approved by secretary
Matching or Leveraged Funds	Non-state matching funds and other non-state funding leveraged for each project	Not required
Project Progress and Outcomes	Progress, performance, outcomes, and impact for each funded project	Not required
Employment	Totaj jobs created and retained in New Mexico	Not required
Return on Investment	Required	Not required
Additional Investment	Required	Not required
Other Performance Measures	Other relevant performance metrics	Not required
Overall Emphasis	Awards, leverage, outcomes, return on state investment	Program activity, participating entities

Source: NMSA 1978

Local development tools also support infrastructure and redevelopment within designated areas. Tax increment development districts (TIDDs) dedicate an approved share of growth in tax revenue to finance public infrastructure, while metropolitan redevelopment areas (MRAs) provide a framework for local redevelopment activities and investments. These tools can support developers, property owners, and multiple existing or future businesses within an area. Their benefits may, therefore, extend beyond an individual company, improving the conditions for private investment across a site, district, or community. Pursuant to statute, TIDDs must report annually to LFC and the Department of Finance's Board of Finance. In FY25, TIDDs received $8.2 million in state gross receipts tax (GRT) and $5.9 million in county and municipal GRT; the same six TIDDs have received $109 million in GRT distributions historically. Legislation enacted in 2023 and effective in 2025 allows approved metropolitan redevelopment projects to receive a portion of state GRT growth to finance redevelopment, and so while the state has not yet provided support to MRAs, these costs will likely increase over time.

Table 4. TIDD GRT Distributions
Total $109 million
(in thousands)

TIDD	State GRT	Local GRT
Mesa del Sol	$32,551	$13,927
DevCo	$0	$0
Winrock Town Center	$28,558	$15,453
Taos Ski Valley	$8,195	$9,548
Lower Petroglyphs	N/A	$264
South Campus	$276	$361

Source: DFA Annual TIDD Report

LFC has identified 666 unique businesses currently located within an MRA or a TIDD. The top sectors located in MRAs and TIDDs are accommodation and food services (135 businesses), real estate and rental and leasing (115 businesses), and retail trade (114 businesses), highlighting its current use as a widespread, general tool for nontargeted industries.

Businesses can Combine Incentives Across Different Programs, but Stacking is Relatively Uncommon

Businesses combine state and local incentives that address different costs and stages of development, with assistance determined through a mix of eligibility requirements, established award formulas, and discretionary decisions. However, the extent to which awarding entities consider other available incentives, overall project needs, or the minimum public support necessary to secure an investment remains unclear. Several incentives may support the same investment decision, making it important to assess their combined costs against the project's expected benefits.

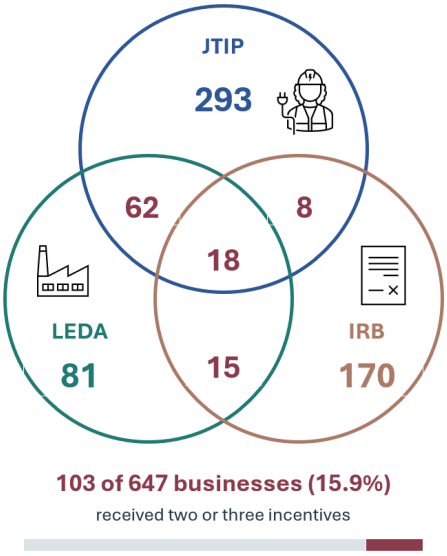
Only 16 percent of JTIP, LEDA, and IRB recipients received multiple of them, with stacking concentrated in LEDA and in manufacturing recipients.

LEDA, JTIP, and industrial revenue bonds provide three prominent forms of discretionary, project-specific business assistance through separate state and local approval processes. These mechanisms can support different components of business expansion, including facilities and capital investment, employee training, and tax relief. Recipient records for the three programs provide a starting point for identifying businesses receiving multiple forms of public support.

Businesses infrequently combine New Mexico's three major company-specific economic development incentives—JTIP, LEDA, and IRBs—with stacking concentrated in large recipients. Stacking is uncommon across the combined JTIP, LEDA, and IRB recipient population, but half of LEDA recipients receive another of these incentives. Of the 647 businesses receiving at least one program, 103 (15.9 percent) received two or more, including 18 receiving all three. This concentration makes identifying related assistance particularly relevant to LEDA approval and evaluation, even though most businesses in the broader recipient population receive only one of the three incentives.

Those 18 businesses that received all three incentives represent larger companies and a disproportionate share of public commitments. They represented 2.8 percent of the 647 recipients, but their average cumulative JTIP award was $2,211,682, compared with $499,820 across all JTIP recipients, their average cumulative LEDA award was $2,347,941, compared with $1,242,571 program wide and their average cumulative IRB tax benefit was $72,655,200, compared with $205,648,283 program wide

Chart 7. JTIP, LEDA, IRB Stacking



Note: Counts are exclusive

Source: LFC Analysis

(these averages exclude Netflix's LEDA award and IRBs for Intel, Project Jupiter and affiliated companies, Meta and Greater Kudu as outliers). Additionally, five of these 18 businesses received assistance through the State Investment Council (SIC) Strategic Venture Capital Program or location in an MRA or TIDD, further increasing their combined public support. Understanding the full assistance provided to this small group is, therefore, important for evaluating some of New Mexico's largest business support packages.

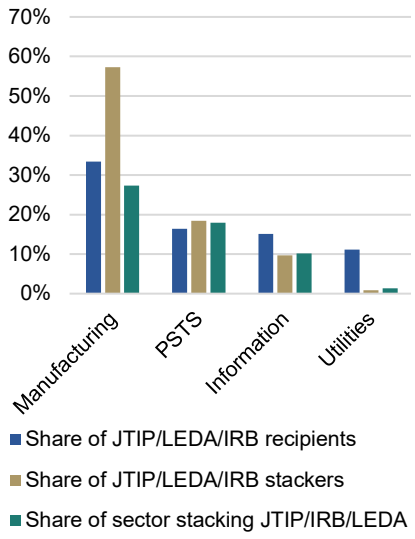
Stacking that involves IRBs is almost entirely metropolitan, largely because most nonmetropolitan IRBs support utilities. Among IRB recipients with an identified county in LFC's analysis, about 24 percent in metropolitan counties also received JTIP or LEDA, compared with less than 7 percent in nonmetropolitan counties. Much of this gap reflects the types of projects receiving IRBs. Utilities made up 42 of the 61 nonmetropolitan recipients, and none also received JTIP or LEDA. Among the remaining 19 recipients, five—about 26 percent—received additional support, close to the metropolitan rate. The lower overall rate outside metropolitan counties, therefore, appears to reflect their larger share of utility projects, rather than showing that other businesses have less access to additional assistance.

Manufacturers make up a third of unique JTIP, LEDA, IRB recipients but more than half of businesses stacking incentives. This trend extends manufacturing's prominence in active LEDA awards and employment. About 27 percent of manufacturing recipients stacked incentives. Professional, scientific, and technical services account for another 18 percent of stackers, with 18 percent of that sector's recipients receiving multiple incentives. Eight of the 18 businesses receiving all three incentives are manufacturers, including semiconductor, structural metal, packaging, and food producers. By contrast, only two of the 108 recipients in utilities, real estate, and transportation and warehousing received multiple incentives.

JTIP awards tied to active LEDA projects totaled $24.2 million across 27 projects in nine counties; stacked dollars are highly concentrated along the I-25 corridors in seven metropolitan counties. Among the 73 active and closed LEDA projects reported in 2025, totaling $87.8 million in awards, 27 active projects also had $24.2 million in JTIP awards. Assistance was concentrated in metropolitan counties: Bernalillo accounted for 45 percent of LEDA awards and 67 percent of associated JTIP awards. Although EDD classified one-third of LEDA award dollars as rural, 94 percent of those dollars went to metropolitan counties because its definition distinguishes locations relative to major cities rather than county boundaries. Nonmetropolitan counties received just 6 percent of LEDA awards and 2 percent of associated JTIP awards.

Tax expenditures extend stacking beyond JTIP, LEDA, and industrial revenue bonds, but the full extent and value of combined assistance remain unclear. In a separate crosswalk covering 579 businesses, the Taxation and Revenue Department identified 84 businesses that received

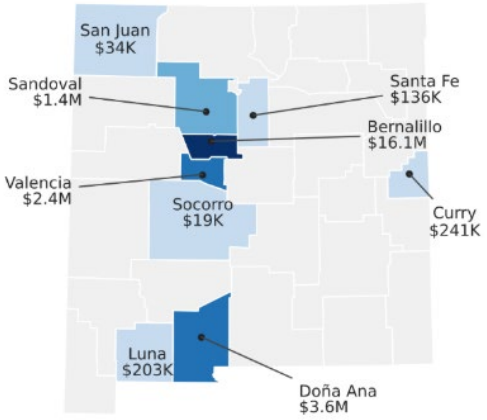
Chart 8. Share of JTIP, LEDA, and IRB stackers in top four recipient industries



Note: PSTS is professional, scientific, and technical services.

Source: LFC Analysis

Image 6. Location and amount of EDD and JTIP Stacks



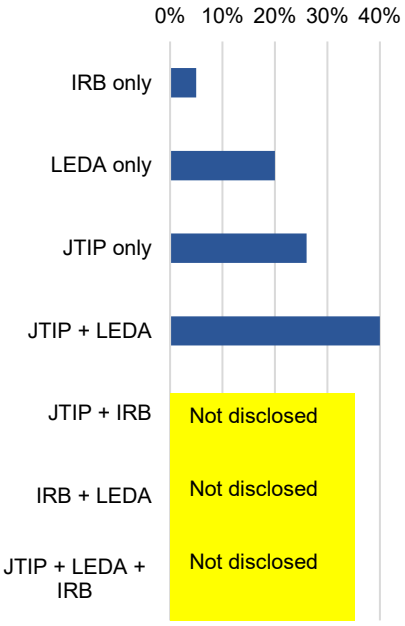
Source: LFC analysis

only one of these three programs but also claimed at least one of the nine tax expenditures examined. Adding these businesses to the 88 recipients of multiple core programs brings the number receiving multiple forms of assistance to 172, or approximately 30 percent of the crosswalk population. Although this population differs from LFC's broader 647-business inventory, the results demonstrate that examining only JTIP, LEDA, and IRBs understates stacking when tax benefits are included.

Tax expenditures also add to assistance received by businesses already combining incentives. Of 53 businesses receiving both JTIP and LEDA in TRD's crosswalk, 21, or 40 percent, claimed at least one reported tax expenditure, including 16 that claimed two or more. Across the groups with disclosed counts, at least 105 businesses claimed tax expenditures. However, the Taxation and Revenue Department (TRD) suppressed tax-participation counts for the JTIP–IRB, LEDA–IRB, and three-program combinations and provided no tax-benefit amounts. The crosswalk, therefore, identifies additional overlap but does not establish the full composition or fiscal value of the assistance these businesses received.

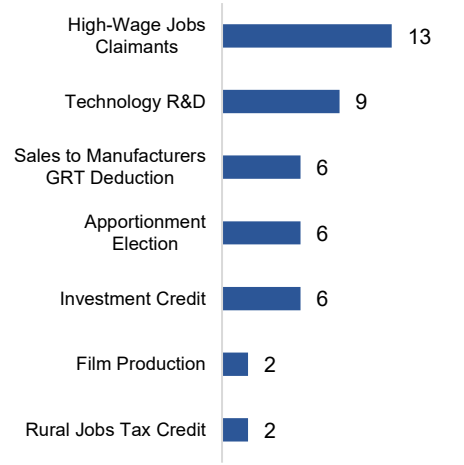
The crosswalk may also omit benefits received through other taxpayers. Sellers claim gross receipts tax deductions for qualifying sales of equipment and services to manufacturers, while purchasing manufacturers may benefit through lower costs without claiming the deductions themselves. A match limited to recipients' own tax returns may, therefore, miss benefits received through suppliers; no identified claim does not necessarily mean no benefit. Furthermore, the analysis covers FY26 and tax years 2020 through 2025 without establishing whether claims supported the same projects as other assistance. Assessing combined public costs and results requires identifying both direct and indirect benefits and connecting them to the relevant projects, periods, and performance commitments.

Chart 9. Percent of Business Incentive Award Recipients Also Claiming Tax Expenditures



Source: TRD and LFC analysis

Chart 10. Fifty-three JTIP-LEDA Recipients Also Combine Tax Benefits



Source: TRD and LFC analysis

State-supported loans and venture investments reach businesses that also receive direct incentives.

Businesses can receive state-supported loans or venture investment alongside LEDA, JTIP, and IRB assistance. These tools provide capital under different repayment, ownership, and performance terms. Identifying the overlap helps policymakers see the state's combined exposure without treating financing as equivalent to a direct grant or tax subsidy.

Within 19 SIC partner-fund companies identified in SIC's 2025 Strategic Venture Capital Program annual report, nine also appeared in JTIP, LEDA, or IRB records. Four received at least two of those core incentives. Nature's Toolbox was associated with all three core programs and SIC partner-fund investment. Businesses receiving direct economic development incentives may also access other forms of state-supported financing, including NMFA working-capital loans and state-supported venture capital investments. These mechanisms can supplement direct assistance by addressing different business financing needs, as illustrated by several companies receiving multiple forms of support. Unlike direct economic development awards, which typically include project-specific employment or investment commitments, state-supported venture capital is generally deployed through intermediary fund managers that make investment decisions based primarily on financial considerations. Although these investments can support economic development objectives, publicly available reporting does not consistently identify company-level investment amounts, associated employment or capital investment outcomes, or the relationship between venture investments and other state incentives. Consequently, while several businesses receive both venture capital and direct economic development assistance, the state has limited information to assess the total public investment in these businesses or the economic development benefits attributable to that combined support.

Table 5. Venture-Backed Capital Receiving Additional State Support

State-backed support					
Company	**SIC VC**	**LEDA**	**JTIP**	**IRB**	**TIO**
Nature's Toolbox	■	■	■	■	
UbiQD	■	■	■		■
Pacific Fusion	■		■	■	
Mesa Quantum	■		■		■
Hoonify	■		■		■

Different mechanisms measure different outcomes.		
	Direct economic development	**State-supported venture capital**
Objective	Business growth, employment, investment	Investment returns
Performance measures	Jobs, wages, capital investment	Fund returns, investment performance
Reporting	Project or award specific	Fund or portfolio level returns

Note: Because SIC utilizes venture capital firms that then select companies, company information is not disclosed. Identified companies include those listed by SIC in their annual report as headquartered, having a presence, or expanding to New Mexico. TIO is EDD's Technology and Innovation Office

Source: 2025 SVCP Report and LFC Analysis

NMFA working-capital loans have reached businesses previously awarded LEDA, JTIP, or IRB assistance. Rhino Health received JTIP, LEDA, and industrial revenue bond (IRB) assistance before subsequently receiving a $1 million NMFA Essential Services working-capital loan. Similarly, Build With Robots received JTIP and LEDA assistance, followed by a $618,750 NMFA Essential Services working-capital loan. Each company has paid the loan back in full. These examples demonstrate how businesses can access multiple forms of state support that address different financial needs, including workforce training, capital investment, tax treatment, and operating expenses. To assess these later loans alongside earlier incentives, policymakers need to know whether the financing supports a new expansion or ongoing operations and what repayment and performance obligations remain outstanding.

Local governments use TIDDs and MRAs to support infrastructure and redevelopment in designated areas, but these benefits cannot generally be assigned to individual businesses.

Local governments use metropolitan redevelopment areas (MRAs) and tax increment development districts (TIDDs) to fund infrastructure and other improvements that encourage private development in designated areas.

Image 7. Example of TIDD Incentive Interaction



Source: LFC Analysis, Ordinances, and 2007 HB1088 FIR

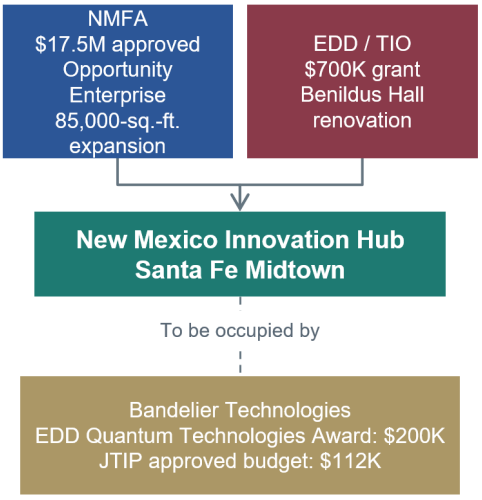
LFC identified at least 31 businesses receiving direct economic development assistance that also have a connection to an MRA or TIDD, including several businesses receiving multiple company-specific incentives. While the benefits of public infrastructure investments cannot necessarily be attributed to individual businesses, these investments can support business growth, encourage expansion, and complement other forms of state assistance. LFC identified MRA/TIDD connections for 31 businesses receiving JTIP, LEDA, or IRB assistance. Eighteen received one of those core incentives, seven received two, and six received all three. The connections, therefore, extend beyond firms receiving a single company-specific award to businesses already associated with several assistance programs.

Mesa del Sol illustrates how public infrastructure financing and company-specific incentives can support the same development while creating competing demands on tax revenue. Its tax increment development districts dedicate portions of state and local tax growth to roads, utilities, and other improvements serving businesses and residents. Companies such as Netflix and Kairos also receive assistance through LEDA, IRBs, and JTIP, combining support for the surrounding infrastructure with assistance for facilities, equipment, and workforce training. Netflix's expansion further connected these investments through an ordinance providing for an infrastructure agreement involving the city, developer, and district. However, the same incentives that lower business costs can reduce the revenues available to finance infrastructure or support other public services. LFC's 2007 fiscal impact report warned that IRB property and gross receipts tax exemptions could work against Mesa del Sol's increment financing and that the state could incur film tax credit costs while related tax revenue flowed to the district. These interactions do not establish whether the combined assistance produced a net public benefit, but they show why policymakers need to assess company incentives alongside district financing: the programs can support a shared development while shifting costs and revenues among businesses, the district, and state and local governments.

The NMFA Opportunity Enterprise's $110.7 million in commercial development financing supports facilities serving industries targeted by other state initiatives, namely film and science and technology. NMFA reports $110.7 million in approved or closed Opportunity Enterprise financing, including projects serving film, aerospace, and science and technology industries that receive other state support. Closed, or funded, financing of $6.9 million for Film Yard and $11.9 million for Midtown Santa Fe Productions, for example, supports facilities serving an industry also supported through the state's film tax credit.

The program's July 2026 criteria award points for participation in EDD's Strategic Site Readiness Program and for projects serving EDD target industries that overlap with the state's Science and Technology Roadmap, providing a direct link between agency priorities. NMFA's commercial dashboard identifies $49.6 million in approved or closed financing for

Image 8. Illustration of Opportunity Enterprise Commercial Development Funding Stack



Source: LFC Analysis and EDD Awards

Noblespace, New Mexico Innovation Hub, and NewSpace Nexus, whose developments support quantum, other science and technology businesses, and aerospace. New Mexico Innovation Hub illustrates how assistance can reach both a development and its tenants. The hub received approval for $17.5 million in Opportunity Enterprise financing for a campus expansion and a separate $700,000 TIO grant to renovate existing space, while current tenant Bandelier Technologies received a $200,000 Quantum Technologies Award. These commitments support different facilities and activities within the same campus, requiring policymakers to track development phases and tenant relationships to understand the combined public support.

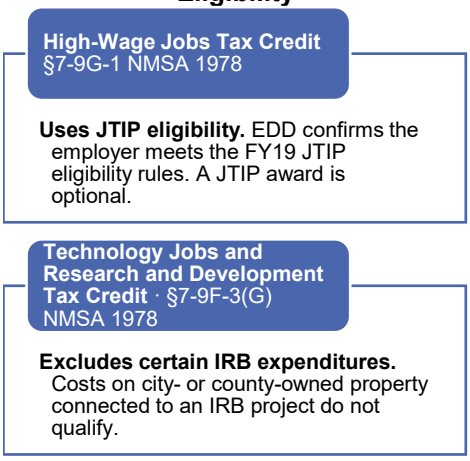
State programs share economic-development priorities, but shared priorities do not establish coordinated eligibility or delivery of assistance.

New Mexico's business assistance programs share goals such as supporting targeted industries and rural communities but are administered across a variety of agencies and authorities and use different eligibility criteria and largely separate approval processes. Although some programs explicitly link eligibility to other incentives, these connections do not establish a coordinated approach to determining which businesses qualify or how assistance is combined.

Several economic development tax credits explicitly address relationships with other incentive programs, but the large majority do not. The High-Wage Jobs Tax Credit provides an example of an explicit connection between incentive programs. Applicants must be eligible for JTIP, although receiving a JTIP award is not required, and EDD verifies eligibility for the tax credit application submitted to TRD. Conversely, the Technology Research and Development credit excludes industrial revenue bond projects. Recent legislation has been introduced to amend this exclusion, although the fiscal impact report explicitly warns that doing so may "layer an additional state tax subsidy onto projects that are already receiving preferential treatment, raising equity and tax expenditure stacking concerns."

The vast majority of economic development tax expenditures LFC reviewed do not expressly link eligibility to participation in or eligibility for another incentive program. While coordination does not guarantee assessment of the combined cost or effectiveness of total assistance received, such connections or mutual exclusions align business eligibility and goals across multiple programs.

Image 9. Tax Credits with Linked Eligibility



Source: NMSA 1978

New Mexico uses different definitions of rural across its business incentives, so the same location can qualify as rural under one program but not another. New Mexico's business assistance programs use varying definitions of rural, so the same location may qualify for rural benefits under one program but not another. These differences also complicate comparisons of geographic reach: most LEDA dollars classified as rural went to projects in metropolitan counties because EDD's designation includes locations outside major cities within those counties. While definitions may reflect different program purposes, a shared geographic measure would help policymakers assess whether assistance reaches the communities they intend to prioritize.

Table 6. Definitions of Rural Across Programs

Program	Definition of rural or qualifying geography
Rural Job Tax Credit	Rural area excludes an H class county (Los Alamos), the state fairgrounds, incorporated municipalities of 30,000+ within a metropolitan statistical area, and the area within 10 miles of those municipalities. Tier 1: rural municipalities of 15,000 or fewer and unincorporated rural areas. Tier 2: rural municipalities over 15,000.
Technology Jobs and R&D Tax Credit	Rural area is any area other than the state fairgrounds, an incorporated municipality of 30,000+, and the area within 3 miles of such a municipality. No MSA condition.
High-Wage Jobs Tax Credit	$60,000 floor for jobs in or within 10 miles of a municipality of 60,000+ or in an H class county; $40,000 floor elsewhere.
Film Production Tax Credit - rural uplift	Qualifying expenditures incurred at least 60 miles from the Albuquerque and Santa Fe city halls (uplift zone).
Job Training Incentive Program (JTIP)	Urban: Albuquerque, Las Cruces, Rio Rancho, Santa Fe, and Class H counties. Rural: outside those city limits. Frontier: communities of 15,000 or fewer outside an MSA, Native American lands, qualifying distressed areas, and federally designated colonias.
Local Economic Development Act (LEDA)	Retail businesses qualify only in a municipality of 15,000 or fewer (if the project uses state revenues) or in an unincorporated area of a county.
Opportunity Enterprise - Commercial Development	Urban: continuously built-up area of 60,000+ residents, which may span multiple municipalities or CDPs. Rural: any area not urban.

Source: NMSA and NMAC

Jobs and wage gains from combined assistance remain unclear.

State programs vary in how they weigh economic benefits against public costs and track jobs and investment. Even when programs estimate returns, their calculations generally omit other assistance a business or project receives. Combining incentives can address distinct needs, but effectiveness depends on whether the full package produces benefits that justify its costs. Separate reporting systems track awards and commitments without consistently capturing total support, overlapping performance requirements, or changes in outcomes. Available evidence shows variation in individual program performance but does not establish whether combined packages generate sufficient additional economic activity to justify their costs.

Separate project reviews do not consistently account for the full incentive package.

Agency and local reviews provide parts of a project's fiscal picture, but differing coverage and assumptions prevent straightforward comparison. Bringing those reviews into an itemized project record would help decision makers identify which public entities bear costs and whether project revenues justify the proposed assistance.

Project-level economic and fiscal analyses help inform incentive approvals, but the reviews LFC examined do not consistently establish the combined costs and projected returns of state and local assistance. Some identify other incentives without including them in fiscal estimates, while others report combined support without itemizing its components; differing assumptions further limit comparisons across reviews. Albuquerque's Cinelease IRB packet identifies proposed state and city LEDA assistance and anticipated JTIP participation, while the accompanying fiscal analysis explicitly excludes incentives provided by the state and other governments. Other reviews address broader support: EDD's July 2024 Kairos LEDA analysis reports combined incentive estimates and separately quantifies tax exemptions, while BBER's contemporaneous IRB analysis explicitly accounts for allocations to the Mesa del Sol tax increment development district. However, the EDD report does not itemize the programs comprising its combined incentive total, and the two analyses use different property-tax exemption assumptions, evaluation periods, and discount rates. A complete, itemized accounting of the full package and consistent assumptions would allow policymakers to assess total public costs and determine whether projected state and local revenues justify the assistance.

Table 7. Different Scopes and Assumptions in Economic Analysis Reviews for Kairos Power

Element	LEDA review and economic impact — EDD	IRB review and economic impact — BBER
Analysis date	July 1, 2024	July 2024
Governments covered	State, county, city, schools, and special taxing districts	City of Albuquerque; explicitly excludes incentives from the state and other governments
Evaluation period / discount rate	10 years / 5%	20 years / 3.68%
Property-tax exemptions	Explicitly quantifies exemptions; assumes 75% for land, buildings, and equipment	Explicitly accounts for exemptions; assumes 85% for real and personal property
Equipment GRT / compensating-tax exemptions	Explicitly quantifies GRT exemptions on newly purchased furniture, fixtures, and equipment; assumes 100%	Explicitly assumes 100% GRT and compensating-tax abatement on eligible tangible personal property
Combined incentive amount	Reports $11.54 million, with state and city totals; does not itemize the constituent programs	Does not present a combined state-and-local incentive total
LEDA and JTIP treatment	Individual LEDA and JTIP amounts are not separately identified within the EIA's combined incentive total	Packet says LEDA assistance will be analyzed separately; state incentives, including state LEDA and JTIP, fall outside the fiscal analysis's stated scope
Mesa del Sol TIDD allocations	Not explicitly identified in the EIA's narrative or displayed tables	Explicitly addressed: allocations from the city's GRT and real-property-tax share; results include separate TIDD columns
Reported present value of city fiscal benefits	$10.96 million over 10 years	$4.16 million over 20 years
What remains unresolved	Which programs comprise the combined total, and how tax exemptions and any TIDD allocations enter the calculation	How the city-focused findings reconcile with state and other local costs and the separate LEDA review

Source: LFC review of City of Albuquerque supporting materials for O-24-51 (Kairos LEDA) and O-24-45 (Kairos IRB).

Data sharing among EDD, TRD, and LFC to assess public benefits received by businesses would benefit policymakers and evaluation, but the most recent attempt was vetoed. In 2025, $520 million in economic development tax expenditures were provided to businesses across New Mexico, far surpassing direct incentive spending for job training and capital investment programs. Despite the scope of these deductions and credits, however, TRD only publishes these amounts in the aggregate (total forgone revenue and number of claims), limiting oversight into the types of firms receiving them. In the 2022 LFC program evaluation, *Impacts of Past Local Economic Development Act and Job Incentive Training Program Investments*, one key recommendation was for the Legislature to draft legislation allowing TRD to share taxation and employment records from businesses receiving public benefits to EDD and LFC and allowing EDD to share all application materials with LFC. In the 2025 regular session, House Bill 199 would have accomplished the first part of this recommendation, allowing TRD to share return information with LFC for the purpose of policy analysis, subject to certain confidentiality exceptions and with the establishment of a memorandum of understanding between the two. The bill passed unanimously, 62-0 in the House of Representatives and 34-0 in the Senate but was ultimately vetoed by the governor.

Title 3, §1001 of the Maine Revised Statutes

The office may request confidential information from the Department of Administrative and Financial Services, Maine Revenue Services or other state agencies as necessary to address the evaluation objectives and performance measures approved under section 999, subsection 1. The office shall request any confidential information in accordance with section 997, subsection 4. The office shall request that confidential tax information, other than beneficiary contact information, be made accessible to the office as de-identified tax data. If Maine Revenue Services is unable to provide such data, the office and representatives of Maine Revenue Services shall determine appropriate methods for the office to access the requested information.

While New Mexico statute currently allows LFC to request documents, materials, or information "not made confidential by law," several states have enabled sharing between the legislative evaluation offices and

executive agencies that allow for more robust tax analysis and evaluation of impact. The Kansas Legislative Division of Post Audit and Minnesota Office of the Legislative Auditor have explicit, statutory access to confidential information and each have used it for tax evaluation purposes, while in Maine statute explicitly states for the sharing of confidential tax information between the Office of Program Evaluation and the state's executive agencies, even going so far as to allow third party hires or contractors to help the program evaluation team review such information with appropriate nondisclosure agreements and guardrails.

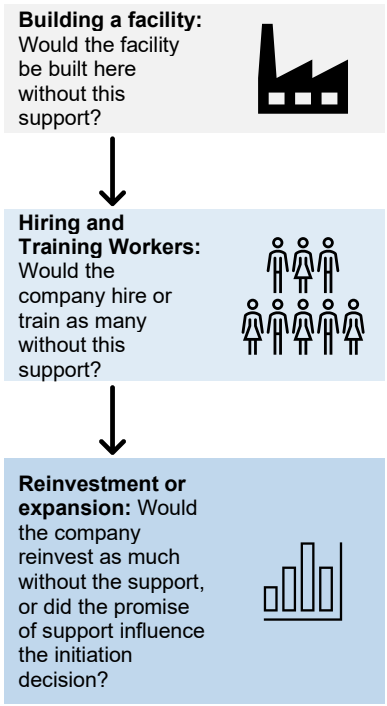
Reported employment and program results do not establish the outcomes of combined assistance.

Reported jobs and investment show activity at assisted businesses, but do not establish how much the combined assistance caused. Evaluating a package requires matching its costs and commitments to the same project and period, avoiding repeated counts of the same jobs, and assessing what would have likely occurred with the support.

Economic benefits attributable to government assistance depend on whether support induces investment, hiring, or other activity beyond what would have happened without it. Observed employment or investment at an assisted business is not, by itself, evidence the incentive caused that activity. Fiscal returns also depend on the public cost of inducing it. Studies generally suggest incentives induce only a small share of the business activity associated with them, with estimates ranging from 2 to 25 percent in economist Timothy Bartik's review to approximately 15 percent and 10 percent in studies of property tax abatements and enterprise zones, respectively. Although these estimates reflect different programs and outcomes, they underscore the importance of assessing how much activity New Mexico's incentives induce.

Several incentives may jointly influence one investment decision. Each need not produce a separately identifiable set of jobs, but the combined package should be assessed against what would have occurred without that assistance. If further support is added later, the relevant question is whether it contributes to the original commitment or induces additional activity, such as an expansion, accelerated investment, or further hiring. The same economic benefits should not be counted repeatedly when evaluating the package as a whole.

Image 10. Additionality Illustrated

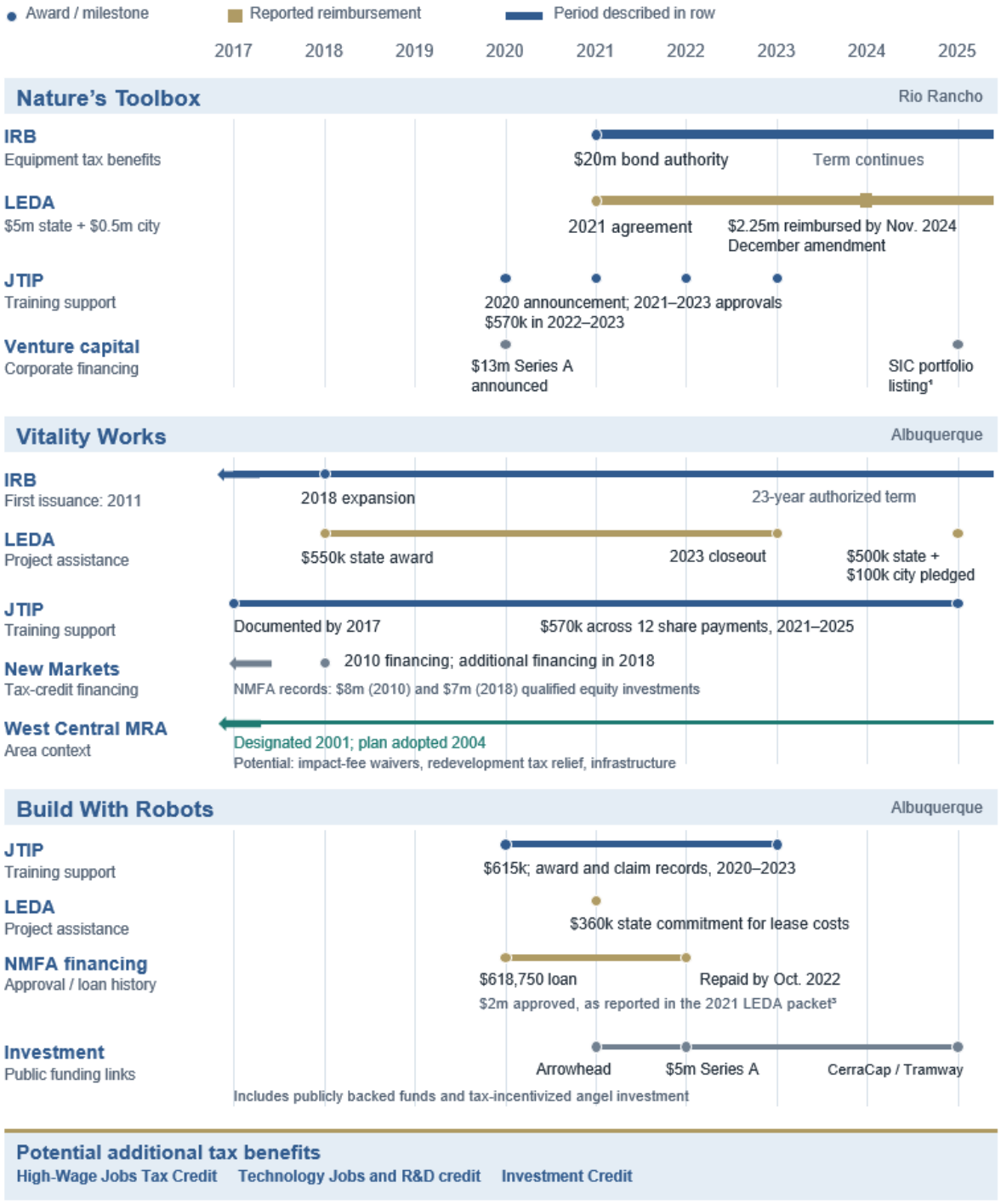


Multiple incentives can make their separate effects harder to measure. Companies could be counting on combined incentives and later awards or receiving duplicative funding for individual decisions.

Source: LFC Analysis

Sample of Business Stacking across Programs and Years

Three company examples show how grants, tax benefits and financing can overlap.
Selected milestones, 2017–2025. Amounts describe different forms of support and are not additive.



Notes: For venture capital investments, amounts not released. Instead, the graphic confirms funds or groups identified publicly by SIC with New Mexico ties. Specific company MRA benefits are not established. Approvals are not the same as disbursements.
Source: AI-generated, editable design. Numbers from LFC, EDD, Rio Rancho, SHARE, NMFA publications, SIC annual report and public investor releases, press releases

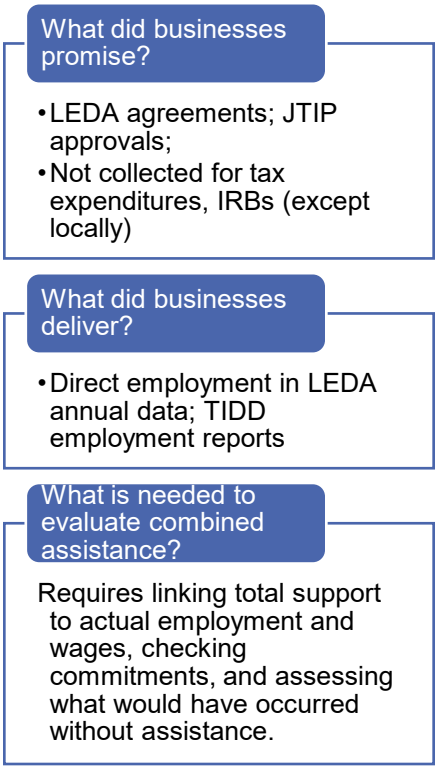
Available reporting does not establish how many jobs are attributable to the approximately $734 million in identified public costs. JTIP and LEDA provide comparatively detailed reporting on awards and employment, but account for a smaller share of public costs than tax incentives and IRBs, for which previous LFC reviews have identified gaps in company-level cost and outcome reporting. Programs report employment commitments, training approvals, employment at supported businesses, and modeled economic effects. These measures cover different periods and activities and cannot be added together to estimate jobs created by combined assistance. Employment at a supported business also does not establish how many jobs would have existed without assistance.

EDD's FY26 performance reporting illustrates this distinction. Its LEDA job measure uses commitments in project participation agreements, while its JTIP training measure uses projects approved by the board. EDD states that its overall job count avoids double-counting businesses receiving both programs. Annual LEDA data separately provided to LFC include direct employment, wages, and some related assistance, offering a starting point for examining outcomes. However, these sources do not establish employment attributable to the full incentive package.

Across the broader portfolio, separate reporting systems, tax confidentiality, and inconsistent employment measures limit a combined assessment. TIDD reporting, for example, includes varying coverage of permanent employment and construction activity and notes that private employers do not always provide employment data. Previous LFC evaluations assess individual programs but do not establish a combined employment return for the portfolio.

Linking related assistance to consistent employment baselines, commitments, deadlines, and subsequent jobs and wages would help policymakers assess whether businesses delivered promised results and identify the associated public support. Determining how much employment the assistance caused requires further evaluation of whether the combined package changed business decisions.

Image 11. What Can Employment Reporting Tell Policymakers



Source: LFC

Agencies and policymakers would benefit from shared project reporting and access to underlying data.

Shared project reporting would help agencies and policymakers identify the full package of state and local assistance supporting a business, track its commitments, and assess requests for additional support. Giving legislative evaluators access to underlying tax and program records, with confidentiality protections, would allow them to assess combined public costs and results rather than evaluate each incentive separately.

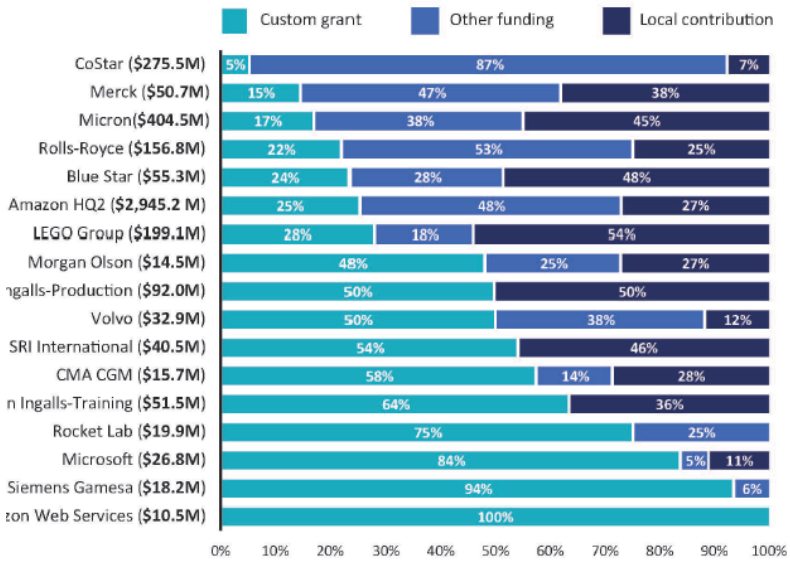
Virginia provides an example of reviewing business incentives at the project level. Its Joint Legislative Audit and Review Commission's 2024

evaluation of custom incentive grants, larger in size but analogous to New Mexico's LEDA projects, placed individual awards within broader packages of state and local assistance, including tax incentives, infrastructure, and workforce support. Across the 17 grants reviewed, custom grants accounted for 26 percent of the $4.4 billion in identified incentive packages; other state incentives, typically tax incentives, accounted for 45 percent, and local incentives accounted for 29 percent. This approach illustrates how reviewing a single program can substantially understate the public support associated with a project.

Virginia pairs this evaluation responsibility with explicit statutory authority to obtain the underlying information. Its Appropriation Act directs JLARC to conduct ongoing reviews of economic development incentives, including grants, tax preferences, and other assistance, and authorizes access to confidential economic development records. It also authorizes the Tax Commissioner to provide tax information necessary for this oversight, subject to specified legal restrictions, while preserving applicable confidentiality protections. The framework further directs agencies to cooperate and JLARC to help establish common reporting definitions, measures, and unique project identifiers. These provisions offer a model for supporting recurring, coordinated evaluation of incentives across agencies and programs.

State law requires Virginia's legislative office to review tax preferences and directs the departments of revenue and employment security to provide the information needed to fulfill those responsibilities upon request. Washington similarly links mandatory tax-preference evaluation with agency data-sharing requirements

Image 12. Virginia Analyzes Large Projects Holistically and Grades Economic Development Tools on Similar Metrics



Incentive	Incentive type	Economic benefits	Return in state revenue
Tobacco Commission Megasite Grant	Grant	●●○○	●●○○
Worker Retraining Tax Credit[a]	Tax credit	●●○○	●●○○
Barge and Rail Usage Tax Credit	Tax credit	●●○○	●●○○
Economic Development Access Program	Grant	●●○○	●●○○
Real Property Investment Grant	Grant	●●○○	●●○○
Major Business Facility Jobs Tax Credit	Tax credit	●●○○	●●○○
Rail Industrial Access Program	Grant	●●○○	●●○○
International Trade Facility Tax Credit	Tax credit	●●○○	●●●○

Note: Custom Grant is a closing fund; the closest analogy in New Mexico is LEDA.
Source: Virginia JLARC

Some states require transparency in reporting across multiple incentives and agencies. Ten states have a public reporting system in place for economic development and business incentive awards. Five of the 10 states—Florida, Illinois, Minnesota, New York, and Wisconsin—have searchable databases by incentive program, business name, and location. Florida's Economic Development Incentives Portal and New York's Database of Economic Incentives report both the number of new jobs committed by the business for the incentive program and the number of confirmed new jobs created by the incentive. Illinois's Corporate Accountability Progress Reports are searchable by incentive program and provide a detailed report for each company receiving an incentive. Connecticut's Department of Economic and Community Development Tax Credit Portfolio specifically reports on economic development tax credit recipients, including business name, tax credit program, amount awarded, jobs committed, and jobs created.

Nationally, some states such as Louisiana, Pennsylvania, and New Jersey have implemented unified incentive application programs and portals that streamline incentive applications. Louisiana, New Jersey, New York, and Pennsylvania have implemented unified application portals for business incentives. Pennsylvania's Electronic Single Application (ESA) is the most streamlined, routing over 140 incentive programs through one application. New York's Consolidated Funding Application (CFA) is a single incentive application covering 20 programs. Louisiana's FASTLANE and New Jersey's NJEDA Application are not single incentive applications. They are unified portals for submission and tracking. Mississippi's MFLEX is a universal tax credit calculated by capital investment, number of new jobs, and annual payroll. Massachusetts has two economic development application programs: Community One Stop for Growth servicing Massachusetts Development Continuum categories, and the Business Front Door. The One Stop covers 14 programs including site readiness, rural development, community development, real estate, and housing. Instead of a unified incentive application, Massachusetts's Business Front Door is a liaison program to assist businesses. The state connects interested businesses with a state consultant (Team MA) to navigate the incentive landscape and application process. Except for One Stop, all unified applications are housed and maintained by the state's economic or community development agencies.

Image 12. New York Multi Agency Database of Economic Incentives Snapshot

NEW YORK STATE

Project Totals by Agency

Lead Agency	# of Projects	Total Dollars Awarded	Total Dis to Date
Empire State ...	63588	$9,565,602,183	$5
HCR	111	$33,591,146	
DOS	109	$213,887,728	
NYSERDA	92	$239,827,217	
NYPA	9	$3,033,217	
Total	**63909**	**$10,055,941,491**	**$5**

Project Totals by Program

Program	Lead Agency	# of Projects	Total Dollars Awarded
New NY Broadband Prog...	Empire ...	42	$224,775,876
Office of Strategic Workf...	Empire ...	41	$30,755,090
Community Developmen...	Empire ...	39	$3,025,000
New Farmers Grant Fund	Empire ...	31	$1,021,386
Life Sciences Tax Credit P...	Empire ...	30	$6,953,918
Dedicated Capital Project...	Empire ...	28	$1,169,700,000
Commercial Industrial Ca...	NYSERDA	27	$71,152,632
Downtown Revitalization ...	DOS	26	$38,284,798
Downtown Revitalization ...	DOS	22	$29,776,000
Downtown Revitalization ...	DOS	19	$49,212,427
Total		**63909**	**$10,055,941,491**

Appendix A: Methodology

Scope and Sources: This policy spotlight provides an initial inventory of businesses receiving multiple forms of government assistance in New Mexico, though it is not comprehensive. It describes identifiable overlap and reporting gaps without estimating causal effects.

LFC used EDD program records; SHARE vouchers, purchase orders and encumbrances; agency reports and meeting materials; and ArcGIS data for metropolitan redevelopment areas (MRAs) and tax increment development districts (TIDDs). IRB information came from LFC's 2026 policy spotlight, *Industrial Revenue Bonds*. MRA and TIDD connections do not establish direct financial benefits to individual businesses. Awards, commitments, and payments reflect different stages of assistance and are not equivalent measures of spending.

Limitations: Public records identified businesses associated with SIC and NMFA investments or financing commitments. SIC reports its agreements with fund managers restrict disclosure, and its annual report lists publicly disclosed companies with New Mexico ties rather than a comprehensive portfolio. LFC counted overlaps when public records also established a New Mexico physical presence and other assistance. LFC did not receive underlying investment agreements or terms.

LFC provided TRD an earlier inventory of 578 JTIP, LEDA, or IRB recipients to examine overlap with tax deduction claims; this denominator differs from the updated inventory elsewhere in the report. Taxpayer confidentiality limited results, particularly for businesses already receiving multiple incentives. Matching recipients to claimants also misses some associated benefits because suppliers may claim deductions on sales to assisted businesses.

The inventory captures documented overlap, not all assistance received. Multiple incentives alone do not establish duplication, effectiveness, or additional economic activity. These limitations underscore the need for more complete project-level reporting and access to underlying data.

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