

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HOUSE BILL 177

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

INTRODUCED BY

Brian F. Egolf

AN ACT

RELATING TO TAXATION; CREATING A ONE-TIME SHORT-TERM REFUNDABLE  
TAX CREDIT FOR PURCHASERS OF ELIGIBLE ENERGY EFFICIENT HOMES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Income Tax Act is enacted  
to read:

"~~[NEW MATERIAL]~~ ENERGY EFFICIENT HOME INCOME TAX CREDIT.--

A. A taxpayer who files an individual New Mexico  
income tax return, who is not a dependent of another taxpayer  
and who is the new owner of an eligible energy efficient home  
may claim and the department may allow a credit pursuant to  
Subsection C of this section. The credit provided by this  
section may be referred to as the "energy efficient home income  
tax credit".

B. The purpose of the energy efficient home income

underscoring material = new  
[bracketed material] = delete

underscored material = new  
~~[bracketed material] = delete~~

1 tax credit is to encourage the construction of new owner-  
2 occupied energy efficient residential dwellings and the  
3 purchase of foreclosed homes renovated to high energy  
4 efficiency standards.

5 C. The amount of the energy efficient home income  
6 tax credit that may be claimed shall be calculated based on the  
7 certification level achieved by the eligible energy efficient  
8 home, as indicated on the following chart:

9 Rating System Certification Level	Tax Credit
10 HERS index of 50 or less, but more than 25	\$4,000
11 HERS index of 25 or less, but more than 0	\$6,000
12 HERS index of 0 or less	\$8,000.

13 D. A taxpayer who is a homeowner may apply for a  
14 certificate of eligibility for the energy efficient home income  
15 tax credit from the energy, minerals and natural resources  
16 department after the construction or renovation of the eligible  
17 energy efficient home is completed. A homeowner shall submit a  
18 certificate of occupancy at the time the homeowner applies for  
19 a certificate of eligibility. Applications shall be considered  
20 in the order received. If the energy, minerals and natural  
21 resources department determines that the homeowner meets the  
22 requirements of this subsection and that the home, with respect  
23 to which the tax credit application is made, meets the  
24 requirements of this section as an eligible energy efficient  
25 home, the energy, minerals and natural resources department may

.188494.4

underscoring material = new  
~~[bracketed material]~~ = delete

1 issue a dated certificate of eligibility to the homeowner,  
2 subject to the limitation in Subsection E of this section. The  
3 certificate shall include the rating system certification level  
4 awarded to the eligible energy efficient home and the amount of  
5 the energy efficient home income tax credit for which the  
6 homeowner is eligible. The energy, minerals and natural  
7 resources department may issue rules governing the procedure  
8 for administering the provisions of this subsection. All  
9 certificates of eligibility issued pursuant to this subsection  
10 shall be sequentially numbered, and an account of all  
11 certificates issued or destroyed shall be maintained by the  
12 energy, minerals and natural resources department. The  
13 taxation and revenue department shall audit the records of the  
14 energy efficient home income tax credit maintained by the  
15 energy, minerals and natural resources department on a periodic  
16 basis to ensure effective administration of the energy  
17 efficient home income tax credit and to ensure compliance with  
18 the Tax Administration Act and this section.

19 E. The energy, minerals and natural resources  
20 department shall not issue a certificate of eligibility if the  
21 total amount of energy efficient home income tax credits  
22 represented by certificates of eligibility issued by the  
23 energy, minerals and natural resources department pursuant to  
24 this section exceeds in any calendar year an aggregate amount  
25 of ten million dollars (\$10,000,000).

.188494.4

underscoring material = new  
~~[bracketed material] = delete~~

1           F. A taxpayer who claims and is allowed an energy  
2 efficient home income tax credit shall not apply for or be  
3 granted approval for the sustainable building tax credit  
4 pursuant to Section 7-2-18.19 NMSA 1978.

5           G. To be eligible for the energy efficient home  
6 income tax credit, the homeowner shall provide to the taxation  
7 and revenue department a certificate of eligibility issued by  
8 the energy, minerals and natural resources department pursuant  
9 to this section and any other information the taxation and  
10 revenue department may require to determine the amount of the  
11 tax credit for which the homeowner is eligible.

12           H. A taxpayer who is the homeowner of an eligible  
13 energy efficient home may only claim the energy efficient home  
14 income tax credit provided in this section for the taxable year  
15 in which the eligible energy efficient home is purchased. A  
16 taxpayer shall apply for approval of the credit within one year  
17 following the end of the calendar year in which the eligible  
18 energy efficient home is purchased.

19           I. The tax credit provided for in this section  
20 shall first be deducted from the taxpayer's New Mexico income  
21 tax liability. If the tax credit exceeds the taxpayer's income  
22 tax liability, the excess shall be refunded to the taxpayer.  
23 The energy efficient home income tax credit shall not be  
24 transferred to another taxpayer.

25           J. A husband and wife who file separate returns for

.188494.4

1 a taxable year in which they could have filed a joint return  
2 may each claim only one-half of the energy efficient home  
3 income tax credit that would have been allowed on a joint  
4 return.

5 K. The taxation and revenue department shall  
6 annually report to the interim revenue stabilization and tax  
7 policy committee the aggregate amount of energy efficient home  
8 income tax credits allowed during the preceding taxable year,  
9 the number of taxpayers claiming that credit and any other  
10 information that the department determines is necessary to  
11 evaluate if the energy efficient home income tax credit is  
12 achieving the purpose for which it was enacted.

13 L. Acceptance of the energy efficient home income  
14 tax credit is authorization for the department to reveal to the  
15 legislature information from the tax return of the taxpayer  
16 deemed necessary to evaluate the effectiveness of that credit.

17 M. As used in this section:

18 (1) "eligible energy efficient home" means an  
19 owner-occupied single family residential dwelling:

20 (a) for which construction or renovation  
21 begins on or after July 1, 2012 and on or before June 30, 2014;

22 (b) for which an energy efficient home  
23 income tax credit has not been previously claimed;

24 (c) that has a HERS 50 or better rating  
25 and is a purchased or custom-built home or a purchased

underscored material = new  
~~[bracketed material] = delete~~

1 foreclosed home that has been renovated; and

2 (d) that has been issued a certificate  
3 of occupancy;

4 (2) "HERS index" means the home energy rating  
5 system in which a "HERS" rating is a numerical rating between 0  
6 and 100, with each integer value representing a corresponding  
7 percentage of energy usage compared to a standard reference  
8 building design that complies with the 2004 International  
9 Energy Conservation Code designated as HERS 100, as documented  
10 by a certified HERS rater or registered professional engineer  
11 using the simulated alternative performance path for  
12 compliance. An index value of HERS 0 means a home has on-site  
13 renewable energy sources that provide an amount of energy equal  
14 to or greater than the amount of energy used by that home; an  
15 index value of HERS 25 means a home has a seventy-five percent  
16 energy reduction below the 2004 International Conservation Code  
17 standard reference building design; and an index value of HERS  
18 50 means a home has a fifty percent energy reduction below the  
19 2004 International Conservation Code standard reference  
20 building design; and

21 (3) "homeowner" means the purchaser, owner and  
22 occupant of an eligible energy efficient home, but does not  
23 include the subsequent purchaser of an eligible energy  
24 efficient home with respect to which an energy efficient home  
25 income tax credit has been previously claimed."

.188494.4

