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AN ACT

RELATING TO TAXATION; CREATING A NEW SUSTAINABLE BUILDING TAX CREDIT WITH WATER CONSERVATION REQUIREMENTS PURSUANT TO THE INCOME TAX ACT AND THE CORPORATE INCOME AND FRANCHISE TAX ACT.

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 SUSTAINABLE BUILDING TAX CREDIT.--

A. The tax credit provided by this section may be referred to as the "new sustainable building tax credit".

The new sustainable building tax credit shall be available for the construction in New Mexico of a sustainable building, the renovation of an existing building in New Mexico into a sustainable building or the permanent installation of manufactured housing, regardless of where the housing is manufactured, that is a sustainable building. The tax credit provided in this section may not be claimed with respect to the same sustainable building for which the new sustainable building tax credit provided in the Corporate Income and Franchise Tax Act has been claimed.

B. The purpose of the new sustainable building tax credit is to encourage the construction of sustainable buildings and the renovation of existing buildings into

1 sustainable buildings.

2 C. A taxpayer who files an income tax return is
3 eligible to be granted a new sustainable building tax credit
4 by the department if the taxpayer submits a document issued
5 pursuant to Subsection K of this section with the taxpayer's
6 income tax return.

7 D. For taxable years ending on or before
8 December 31, 2026, the new sustainable building tax credit
9 may be claimed with respect to a sustainable commercial
10 building. The credit shall be calculated based on the
11 certification level the building has achieved in the LEED
12 green building rating system and the amount of qualified
13 occupied square footage in the building, as indicated on the
14 following chart:

15 LEED Rating Level	16 Qualified 17 Occupied 18 Square Footage	19 Tax Credit 20 per Square 21 Foot
22 LEED-NC Silver	23 First 10,000	\$3.50
	24 Next 40,000	\$1.75
	25 Over 50,000 up to 500,000	\$.70
LEED-NC Gold	First 10,000	\$4.75
	Next 40,000	\$2.00
	Over 50,000 up to 500,000	\$1.00

1	LEED-NC Platinum	First 10,000	\$6.25
2		Next 40,000	\$3.25
3		Over 50,000	
4		up to 500,000	\$2.00
5	LEED-EB or CS Silver	First 10,000	\$2.50
6		Next 40,000	\$1.25
7		Over 50,000	
8		up to 500,000	\$.50
9	LEED-EB or CS Gold	First 10,000	\$3.35
10		Next 40,000	\$1.40
11		Over 50,000	
12		up to 500,000	\$.70
13	LEED-EB or CS Platinum	First 10,000	\$4.40
14		Next 40,000	\$2.30
15		Over 50,000	
16		up to 500,000	\$1.40
17	LEED-CI Silver	First 10,000	\$1.40
18		Next 40,000	\$.70
19		Over 50,000	
20		up to 500,000	\$.30
21	LEED-CI Gold	First 10,000	\$1.90
22		Next 40,000	\$.80
23		Over 50,000	
24		up to 500,000	\$.40
25	LEED-CI Platinum	First 10,000	\$2.50

1	Next 40,000	\$1.30
2	Over 50,000	
3	up to 500,000	\$.80.

4 E. For taxable years ending on or before December
5 31, 2026, the new sustainable building tax credit may be
6 claimed with respect to a sustainable residential building.
7 The credit shall be calculated based on the amount of
8 qualified occupied square footage, as indicated on the
9 following chart:

10	Rating System/Level	Qualified	Tax Credit
11		Occupied	per Square
12		Square Footage	Foot
13	LEED-H Silver or Build	Up to 2,000	\$3.00
14	Green NM Silver		
15	LEED-H Gold or Build	Up to 2,000	\$4.50
16	Green NM Gold		
17	LEED-H Platinum or Build	Up to 2,000	\$6.50
18	Green NM Emerald		
19	Manufactured Housing	Up to 2,000	\$3.00.

20 F. A person that is a building owner may apply for
21 a certificate of eligibility for the new sustainable building
22 tax credit from the energy, minerals and natural resources
23 department after the construction, installation or renovation
24 of the sustainable building is complete. Applications shall
25 be considered in the order received. If the energy, minerals

1 and natural resources department determines that the building
2 owner meets the requirements of this subsection and that the
3 building with respect to which the tax credit application is
4 made meets the requirements of this section as a sustainable
5 residential building or a sustainable commercial building,
6 the energy, minerals and natural resources department may
7 issue a certificate of eligibility to the building owner,
8 subject to the limitations in Subsection G of this section.

9 The certificate shall include the rating system certification
10 level awarded to the building, the amount of qualified
11 occupied square footage in the building and a calculation of
12 the maximum amount of new sustainable building tax credit for
13 which the building owner would be eligible. The energy,
14 minerals and natural resources department may issue rules
15 governing the procedure for administering the provisions of
16 this subsection. If the certification level for the
17 sustainable residential building is awarded on or after
18 January 1, 2017, the energy, minerals and natural resources
19 department may issue a certificate of eligibility to a
20 building owner who is:

21 (1) the owner of the sustainable residential
22 building at the time the certification level for the building
23 is awarded; or

24 (2) the subsequent purchaser of a
25 sustainable residential building with respect to which no tax

1 credit has been previously claimed.

2 G. Except as provided in Subsection H of this
3 section, the energy, minerals and natural resources
4 department may issue a certificate of eligibility only if the
5 total amount of new sustainable building tax credits
6 represented by certificates of eligibility issued by the
7 energy, minerals and natural resources department pursuant to
8 this section and pursuant to the Corporate Income and
9 Franchise Tax Act shall not exceed in any calendar year an
10 aggregate amount of:

11 (1) one million two hundred fifty thousand
12 dollars (\$1,250,000) with respect to sustainable commercial
13 buildings;

14 (2) three million three hundred seventy-five
15 thousand dollars (\$3,375,000) with respect to sustainable
16 residential buildings that are not manufactured housing; and

17 (3) three hundred seventy-five thousand
18 dollars (\$375,000) with respect to sustainable residential
19 buildings that are manufactured housing.

20 H. For any taxable year that the energy, minerals
21 and natural resources department determines that applications
22 for sustainable building tax credits for any type of
23 sustainable building pursuant to Paragraph (1), (2) or (3) of
24 Subsection G of this section are less than the aggregate
25 limit for that type of sustainable building for that taxable

1 year, the energy, minerals and natural resources department
2 shall allow the difference between the aggregate limit and
3 the applications to be added to the aggregate limit of
4 another type of sustainable building for which applications
5 exceeded the aggregate limit for that taxable year. Any
6 excess not used in a taxable year shall not be carried
7 forward to subsequent taxable years.

8 I. Installation of a solar thermal system or a
9 photovoltaic system eligible for the solar market development
10 tax credit pursuant to Section 7-2-18.14 NMSA 1978 may not be
11 used as a component of qualification for the rating system
12 certification level used in determining eligibility for the
13 new sustainable building tax credit, unless a solar market
14 development tax credit pursuant to Section 7-2-18.14 NMSA
15 1978 has not been claimed with respect to that system and the
16 building owner and the taxpayer claiming the new sustainable
17 building tax credit certify that such a tax credit will not
18 be claimed with respect to that system.

19 J. To be eligible for the new sustainable building
20 tax credit, the building owner shall provide to the taxation
21 and revenue department a certificate of eligibility issued by
22 the energy, minerals and natural resources department
23 pursuant to the requirements of Subsection F of this section
24 and any other information the taxation and revenue department
25 may require to determine the amount of the tax credit for

1 which the building owner is eligible.

2 K. If the requirements of this section have been
3 complied with, the department shall issue to the building
4 owner a document granting a new sustainable building tax
5 credit. The document shall be numbered for identification
6 and declare its date of issuance and the amount of the tax
7 credit allowed pursuant to this section. The document may be
8 submitted by the building owner with that taxpayer's income
9 tax return, if applicable, or may be sold, exchanged or
10 otherwise transferred to another taxpayer. The parties to
11 such a transaction shall notify the department of the sale,
12 exchange or transfer within ten days of the sale, exchange or
13 transfer.

14 L. If the approved amount of a new sustainable
15 building tax credit for a taxpayer in a taxable year
16 represented by a document issued pursuant to Subsection K of
17 this section is:

18 (1) less than one hundred thousand dollars
19 (\$100,000), a maximum of twenty-five thousand dollars
20 (\$25,000) shall be applied against the taxpayer's income tax
21 liability for the taxable year for which the credit is
22 approved and the next three subsequent taxable years as
23 needed depending on the amount of credit; or

24 (2) one hundred thousand dollars (\$100,000)
25 or more, increments of twenty-five percent of the total

1 credit amount in each of the four taxable years, including
2 the taxable year for which the credit is approved and the
3 three subsequent taxable years, shall be applied against the
4 taxpayer's income tax liability.

5 M. If the sum of all new sustainable building tax
6 credits that can be applied to a taxable year for a taxpayer,
7 calculated according to Paragraph (1) or (2) of Subsection L
8 of this section, exceeds the taxpayer's income tax liability
9 for that taxable year, the excess may be carried forward for
10 a period of up to seven years.

11 N. A taxpayer who otherwise qualifies and claims a
12 new sustainable building tax credit with respect to a
13 sustainable building owned by a partnership or other business
14 association of which the taxpayer is a member may claim a
15 credit only in proportion to that taxpayer's interest in the
16 partnership or association. The total credit claimed in the
17 aggregate by all members of the partnership or association
18 with respect to the sustainable building shall not exceed the
19 amount of the credit that could have been claimed by a sole
20 owner of the property.

21 O. Married individuals who file separate returns
22 for a taxable year in which they could have filed a joint
23 return may each claim only one-half of the new sustainable
24 building tax credit that would have been allowed on a joint
25 return.

1 P. The department shall compile an annual report
2 on the new sustainable building tax credit created pursuant
3 to this section that shall include the number of taxpayers
4 approved by the department to receive the tax credit, the
5 aggregate amount of tax credits approved and any other
6 information necessary to evaluate the effectiveness of the
7 tax credit. Beginning in 2019 and every three years
8 thereafter that the credit is in effect, the department shall
9 compile and present the annual reports to the revenue
10 stabilization and tax policy committee and the legislative
11 finance committee with an analysis of the effectiveness and
12 cost of the tax credit and whether the tax credit is
13 performing the purpose for which it was created.

14 Q. For the purposes of this section:

15 (1) "build green New Mexico rating system"
16 means the certification standards adopted by build green
17 New Mexico in November 2014, which include water conservation
18 standards;

19 (2) "LEED-CI" means the LEED rating system
20 for commercial interiors;

21 (3) "LEED-CS" means the LEED rating system
22 for the core and shell of buildings;

23 (4) "LEED-EB" means the LEED rating system
24 for existing buildings;

25 (5) "LEED gold" means the rating in

1 compliance with, or exceeding, the second-highest rating
2 awarded by the LEED certification process;

3 (6) "LEED" means the most current leadership
4 in energy and environmental design green building rating
5 system guidelines developed and adopted by the United States
6 green building council;

7 (7) "LEED-H" means the LEED rating system
8 for homes;

9 (8) "LEED-NC" means the LEED rating system
10 for new buildings and major renovations;

11 (9) "LEED platinum" means the rating in
12 compliance with, or exceeding, the highest rating awarded by
13 the LEED certification process;

14 (10) "LEED silver" means the rating in
15 compliance with, or exceeding, the third-highest rating
16 awarded by the LEED certification process;

17 (11) "manufactured housing" means a
18 multisectioned home that is:

19 (a) a manufactured home or modular
20 home;

21 (b) a single-family dwelling with a
22 heated area of at least thirty-six feet by twenty-four feet
23 and a total area of at least eight hundred sixty-four square
24 feet;

25 (c) constructed in a factory to the

1 standards of the United States department of housing and
2 urban development, the National Manufactured Housing
3 Construction and Safety Standards Act of 1974 and the Housing
4 and Urban Development Zone Code 2 or New Mexico construction
5 codes up to the date of the unit's construction; and

6 (d) installed consistent with the
7 Manufactured Housing Act and rules adopted pursuant to that
8 act relating to permanent foundations;

9 (12) "qualified occupied square footage"
10 means the occupied spaces of the building as determined by:

11 (a) the United States green building
12 council for those buildings obtaining LEED certification;

13 (b) the administrators of the build
14 green New Mexico rating system for those homes obtaining
15 build green New Mexico certification; and

16 (c) the United States environmental
17 protection agency for ENERGY STAR-certified manufactured
18 homes;

19 (13) "person" does not include state, local
20 government, public school district or tribal agencies;

21 (14) "sustainable building" means either a
22 sustainable commercial building or a sustainable residential
23 building;

24 (15) "sustainable commercial building" means
25 a multifamily dwelling unit, as registered and certified

1 under the LEED-H or build green New Mexico rating system,
2 that is certified by the United States green building council
3 as LEED-H silver or higher or by build green New Mexico as
4 silver or higher and has achieved a home energy rating system
5 index of sixty or lower as developed by the residential
6 energy services network or a building that has been
7 registered and certified under the LEED-NC, LEED-EB, LEED-CS
8 or LEED-CI rating system and that:

9 (a) is certified by the United States
10 green building council at LEED silver or higher;

11 (b) achieves any prerequisite for and
12 at least one point related to commissioning under LEED
13 "energy and atmosphere", if included in the applicable rating
14 system; and

15 (c) has reduced energy consumption
16 beginning January 1, 2012, by sixty percent based on the
17 national average for that building type as published by the
18 United States department of energy as substantiated by the
19 United States environmental protection agency target finder
20 energy performance results form, dated no sooner than the
21 schematic design phase of development;

22 (16) "sustainable residential building"
23 means:

24 (a) a building used as a single-family
25 residence as registered and certified under the build green

1 New Mexico or LEED-H rating system that: 1) is certified by
2 the United States green building council as LEED-H silver or
3 higher or by build green New Mexico as silver or higher; 2)
4 has achieved a home energy rating system index of sixty or
5 lower as developed by the residential energy services
6 network; 3) has indoor plumbing fixtures and water-using
7 appliances that, on average, have flow rates equal to or
8 lower than the flow rates required for certification by
9 WaterSense; 4) if landscape area is available at the front of
10 the property, has at least one water line outside the
11 building below the frost line that may be connected to a drip
12 irrigation system; and 5) if landscape area is available at
13 the rear of the property, has at least one water line outside
14 the building below the frost line that may be connected to a
15 drip irrigation system; or

16 (b) manufactured housing that is
17 ENERGY STAR-qualified by the United States environmental
18 protection agency;

19 (17) "tribal" means of, belonging to or
20 created by a federally recognized Indian nation, tribe or
21 pueblo; and

22 (18) "WaterSense" means a program created by
23 the federal environmental protection agency that certifies
24 water-using products that meet the environmental protection
25 agency's criteria for efficiency and performance."

1 SECTION 2. A new section of the Corporate Income and
2 Franchise Tax Act is enacted to read:

3 "NEW SUSTAINABLE BUILDING TAX CREDIT.--

4 A. The tax credit provided by this section may be
5 referred to as the "new sustainable building tax credit".

6 The new sustainable building tax credit shall be available
7 for the construction in New Mexico of a sustainable building,
8 the renovation of an existing building in New Mexico into a
9 sustainable building or the permanent installation of
10 manufactured housing, regardless of where the housing is
11 manufactured, that is a sustainable building. The tax credit
12 provided in this section may not be claimed with respect to
13 the same sustainable building for which the new sustainable
14 building tax credit provided in the Income Tax Act has been
15 claimed.

16 B. The purpose of the new sustainable building tax
17 credit is to encourage the construction of sustainable
18 buildings and the renovation of existing buildings into
19 sustainable buildings.

20 C. A taxpayer that files a corporate income tax
21 return is eligible to be granted a new sustainable building
22 tax credit by the department if the taxpayer submits a
23 document issued pursuant to Subsection K of this section with
24 the taxpayer's corporate income tax return.

25 D. For taxable years ending on or before

1 December 31, 2026, the new sustainable building tax credit
 2 may be claimed with respect to a sustainable commercial
 3 building. The credit shall be calculated based on the
 4 certification level the building has achieved in the LEED
 5 green building rating system and the amount of qualified
 6 occupied square footage in the building, as indicated on the
 7 following chart:

8	LEED Rating Level	Qualified	Tax Credit per
9		Occupied	Square Foot
10		Square Footage	
11	LEED-NC Silver	First 10,000	\$3.50
12		Next 40,000	\$1.75
13		Over 50,000	
14		up to 500,000	\$.70
15	LEED-NC Gold	First 10,000	\$4.75
16		Next 40,000	\$2.00
17		Over 50,000	
18		up to 500,000	\$1.00
19	LEED-NC Platinum	First 10,000	\$6.25
20		Next 40,000	\$3.25
21		Over 50,000	
22		up to 500,000	\$2.00
23	LEED-EB or CS Silver	First 10,000	\$2.50
24		Next 40,000	\$1.25
25		Over 50,000	

1		up to 500,000	\$.50
2	LEED-EB or CS Gold	First 10,000	\$3.35
3		Next 40,000	\$1.40
4		Over 50,000	
5		up to 500,000	\$.70
6	LEED-EB or CS		
7	Platinum	First 10,000	\$4.40
8		Next 40,000	\$2.30
9		Over 50,000	
10		up to 500,000	\$1.40
11	LEED-CI Silver	First 10,000	\$1.40
12		Next 40,000	\$.70
13		Over 50,000	
14		up to 500,000	\$.30
15	LEED-CI Gold	First 10,000	\$1.90
16		Next 40,000	\$.80
17		Over 50,000	
18		up to 500,000	\$.40
19	LEED-CI Platinum	First 10,000	\$2.50
20		Next 40,000	\$1.30
21		Over 50,000	
22		up to 500,000	\$.80.

23 E. For taxable years ending on or before
24 December 31, 2026, the new sustainable building tax credit
25 may be claimed with respect to a sustainable residential

1 building. The credit shall be calculated based on the amount
 2 of qualified occupied square footage, as indicated on the
 3 following chart:

4 Rating System/Level	5 Qualified 6 Occupied 7 Square Footage	8 Tax Credit 9 per Square 10 Foot
11 LEED-H Silver or Build	12 Up to 2,000	13 \$3.00
14 Green NM Silver		
15 LEED-H Gold or Build	16 Up to 2,000	17 \$4.50
18 Green NM Gold		
19 LEED-H Platinum or Build	20 Up to 2,000	21 \$6.50
22 Green NM Emerald		
23 Manufactured Housing	24 Up to 2,000	25 \$3.00.

14 F. A person that is a building owner may apply for
 15 a certificate of eligibility for the new sustainable building
 16 tax credit from the energy, minerals and natural resources
 17 department after the construction, installation or renovation
 18 of the sustainable building is complete. Applications shall
 19 be considered in the order received. If the energy, minerals
 20 and natural resources department determines that the building
 21 owner meets the requirements of this subsection and that the
 22 building with respect to which the tax credit application is
 23 made meets the requirements of this section as a sustainable
 24 residential building or a sustainable commercial building,
 25 the energy, minerals and natural resources department may

1 issue a certificate of eligibility to the building owner,
2 subject to the limitations in Subsection G of this section.
3 The certificate shall include the rating system certification
4 level awarded to the building, the amount of qualified
5 occupied square footage in the building and a calculation of
6 the maximum amount of new sustainable building tax credit for
7 which the building owner would be eligible. The energy,
8 minerals and natural resources department may issue rules
9 governing the procedure for administering the provisions of
10 this subsection. If the certification level for the
11 sustainable residential building is awarded on or after
12 January 1, 2017, the energy, minerals and natural resources
13 department may issue a certificate of eligibility to a
14 building owner who is:

15 (1) the owner of the sustainable residential
16 building at the time the certification level for the building
17 is awarded; or

18 (2) the subsequent purchaser of a
19 sustainable residential building with respect to which no tax
20 credit has been previously claimed.

21 G. Except as provided in Subsection H of this
22 section, the energy, minerals and natural resources
23 department may issue a certificate of eligibility only if the
24 total amount of new sustainable building tax credits
25 represented by certificates of eligibility issued by the

1 energy, minerals and natural resources department pursuant to
2 this section and pursuant to the Income Tax Act shall not
3 exceed in any calendar year an aggregate amount of:

4 (1) one million two hundred fifty thousand
5 dollars (\$1,250,000) with respect to sustainable commercial
6 buildings;

7 (2) three million three hundred seventy-five
8 thousand dollars (\$3,375,000) with respect to sustainable
9 residential buildings that are not manufactured housing; and

10 (3) three hundred seventy-five thousand
11 dollars (\$375,000) with respect to sustainable residential
12 buildings that are manufactured housing.

13 H. For any taxable year that the energy, minerals
14 and natural resources department determines that applications
15 for sustainable building tax credits for any type of
16 sustainable building pursuant to Paragraph (1), (2) or (3) of
17 Subsection G of this section are less than the aggregate
18 limit for that type of sustainable building for that taxable
19 year, the energy, minerals and natural resources department
20 shall allow the difference between the aggregate limit and
21 the applications to be added to the aggregate limit of
22 another type of sustainable building for which applications
23 exceeded the aggregate limit for that taxable year. Any
24 excess not used in a taxable year shall not be carried
25 forward to subsequent taxable years.

1 I. Installation of a solar thermal system or a
2 photovoltaic system eligible for the solar market development
3 tax credit pursuant to Section 7-2-18.14 NMSA 1978 may not be
4 used as a component of qualification for the rating system
5 certification level used in determining eligibility for the
6 new sustainable building tax credit, unless a solar market
7 development tax credit pursuant to Section 7-2-18.14 NMSA
8 1978 has not been claimed with respect to that system and the
9 building owner and the taxpayer claiming the new sustainable
10 building tax credit certify that such a tax credit will not
11 be claimed with respect to that system.

12 J. To be eligible for the new sustainable building
13 tax credit, the building owner shall provide to the taxation
14 and revenue department a certificate of eligibility issued by
15 the energy, minerals and natural resources department
16 pursuant to the requirements of Subsection F of this section
17 and any other information the taxation and revenue department
18 may require to determine the amount of the tax credit for
19 which the building owner is eligible.

20 K. If the requirements of this section have been
21 complied with, the department shall issue to the building
22 owner a document granting a new sustainable building tax
23 credit. The document shall be numbered for identification
24 and declare its date of issuance and the amount of the tax
25 credit allowed pursuant to this section. The document may be

1 submitted by the building owner with that taxpayer's income
2 tax return, if applicable, or may be sold, exchanged or
3 otherwise transferred to another taxpayer. The parties to
4 such a transaction shall notify the department of the sale,
5 exchange or transfer within ten days of the sale, exchange or
6 transfer.

7 L. If the approved amount of a new sustainable
8 building tax credit for a taxpayer in a taxable year
9 represented by a document issued pursuant to Subsection K of
10 this section is:

11 (1) less than one hundred thousand dollars
12 (\$100,000), a maximum of twenty-five thousand dollars
13 (\$25,000) shall be applied against the taxpayer's corporate
14 income tax liability for the taxable year for which the
15 credit is approved and the next three subsequent taxable
16 years as needed depending on the amount of credit; or

17 (2) one hundred thousand dollars (\$100,000)
18 or more, increments of twenty-five percent of the total
19 credit amount in each of the four taxable years, including
20 the taxable year for which the credit is approved and the
21 three subsequent taxable years, shall be applied against the
22 taxpayer's corporate income tax liability.

23 M. If the sum of all new sustainable building tax
24 credits that can be applied to a taxable year for a taxpayer,
25 calculated according to Paragraph (1) or (2) of Subsection L

1 of this section, exceeds the taxpayer's corporate income tax
2 liability for that taxable year, the excess may be carried
3 forward for a period of up to seven years.

4 N. A taxpayer that otherwise qualifies and claims
5 a new sustainable building tax credit with respect to a
6 sustainable building owned by a partnership or other business
7 association of which the taxpayer is a member may claim a
8 credit only in proportion to that taxpayer's interest in the
9 partnership or association. The total credit claimed in the
10 aggregate by all members of the partnership or association
11 with respect to the sustainable building shall not exceed the
12 amount of the credit that could have been claimed by a sole
13 owner of the property.

14 O. The department shall compile an annual report
15 on the new sustainable building tax credit created pursuant
16 to this section that shall include the number of taxpayers
17 approved by the department to receive the tax credit, the
18 aggregate amount of tax credits approved and any other
19 information necessary to evaluate the effectiveness of the
20 tax credit. Beginning in 2019 and every three years
21 thereafter that the credit is in effect, the department shall
22 compile and present the annual reports to the revenue
23 stabilization and tax policy committee and the legislative
24 finance committee with an analysis of the effectiveness and
25 cost of the tax credit and whether the tax credit is

1 performing the purpose for which it was created.

2 P. For the purposes of this section:

3 (1) "build green New Mexico rating system"
4 means the certification standards adopted by build green
5 New Mexico in November 2014, which include water conservation
6 standards;

7 (2) "LEED-CI" means the LEED rating system
8 for commercial interiors;

9 (3) "LEED-CS" means the LEED rating system
10 for the core and shell of buildings;

11 (4) "LEED-EB" means the LEED rating system
12 for existing buildings;

13 (5) "LEED gold" means the rating in
14 compliance with, or exceeding, the second-highest rating
15 awarded by the LEED certification process;

16 (6) "LEED" means the most current leadership
17 in energy and environmental design green building rating
18 system guidelines developed and adopted by the United States
19 green building council;

20 (7) "LEED-H" means the LEED rating system
21 for homes;

22 (8) "LEED-NC" means the LEED rating system
23 for new buildings and major renovations;

24 (9) "LEED platinum" means the rating in
25 compliance with, or exceeding, the highest rating awarded by

1 the LEED certification process;

2 (10) "LEED silver" means the rating in
3 compliance with, or exceeding, the third-highest rating
4 awarded by the LEED certification process;

5 (11) "manufactured housing" means a
6 multisectioned home that is:

7 (a) a manufactured home or modular
8 home;

9 (b) a single-family dwelling with a
10 heated area of at least thirty-six feet by twenty-four feet
11 and a total area of at least eight hundred sixty-four square
12 feet;

13 (c) constructed in a factory to the
14 standards of the United States department of housing and
15 urban development, the National Manufactured Housing
16 Construction and Safety Standards Act of 1974 and the Housing
17 and Urban Development Zone Code 2 or New Mexico construction
18 codes up to the date of the unit's construction; and

19 (d) installed consistent with the
20 Manufactured Housing Act and rules adopted pursuant to that
21 act relating to permanent foundations;

22 (12) "qualified occupied square footage"
23 means the occupied spaces of the building as determined by:

24 (a) the United States green building
25 council for those buildings obtaining LEED certification;

1 (b) the administrators of the build
2 green New Mexico rating system for those homes obtaining
3 build green New Mexico certification; and

4 (c) the United States environmental
5 protection agency for ENERGY STAR-certified manufactured
6 homes;

7 (13) "person" does not include state, local
8 government, public school district or tribal agencies;

9 (14) "sustainable building" means either a
10 sustainable commercial building or a sustainable residential
11 building;

12 (15) "sustainable commercial building" means
13 a multifamily dwelling unit, as registered and certified
14 under the LEED-H or build green New Mexico rating system,
15 that is certified by the United States green building council
16 as LEED-H silver or higher or by build green New Mexico as
17 silver or higher and has achieved a home energy rating system
18 index of sixty or lower as developed by the residential
19 energy services network or a building that has been
20 registered and certified under the LEED-NC, LEED-EB, LEED-CS
21 or LEED-CI rating system and that:

22 (a) is certified by the United States
23 green building council at LEED silver or higher;

24 (b) achieves any prerequisite for and
25 at least one point related to commissioning under LEED

1 "energy and atmosphere", if included in the applicable rating
2 system; and

3 (c) has reduced energy consumption
4 beginning January 1, 2012, by sixty percent based on the
5 national average for that building type as published by the
6 United States department of energy as substantiated by the
7 United States environmental protection agency target finder
8 energy performance results form, dated no sooner than the
9 schematic design phase of development;

10 (16) "sustainable residential building"
11 means:

12 (a) a building used as a single-family
13 residence as registered and certified under the build green
14 New Mexico or LEED-H rating systems that: 1) is certified by
15 the United States green building council as LEED-H silver or
16 higher or by build green New Mexico as silver or higher; 2)
17 has achieved a home energy rating system index of sixty or
18 lower as developed by the residential energy services
19 network; 3) has indoor plumbing fixtures and water-using
20 appliances that, on average, have flow rates equal to or
21 lower than the flow rates required for certification by
22 WaterSense; 4) if landscape area is available at the front of
23 the property, has at least one water line outside the
24 building below the frost line that may be connected to a drip
25 irrigation system; and 5) if landscape area is available at

1 the rear of the property, has at least one water line outside
2 the building below the frost line that may be connected to a
3 drip irrigation system; or

4 (b) manufactured housing that is
5 ENERGY STAR-qualified by the United States environmental
6 protection agency;

7 (17) "tribal" means of, belonging to or
8 created by a federally recognized Indian nation, tribe or
9 pueblo; and

10 (18) "WaterSense" means a program created by
11 the federal environmental protection agency that certifies
12 water-using products that meet the environmental protection
13 agency's criteria for efficiency and performance."

14 SECTION 3. APPLICABILITY.--The provisions of this act
15 apply to taxable years beginning on or after
16 January 1, 2017.

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