1	SENATE MEMORIAL 80
2	54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019
3	INTRODUCED BY
4	Pete Campos
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10	A MEMORIAL
11	ENCOURAGING SUPPORT OF FRONTIER COMMUNITY INVESTMENT INCOME TAX
12	CREDITS.
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14	WHEREAS, frontier communities are remote and sparsely
15	populated rural areas, which are isolated from health care,
16	schools and other needed services; and
17	WHEREAS, often, basic services such as a grocery store,
18	pharmacy or hardware store are not available in frontier
19	communities; and
20	WHEREAS, rural, economically distressed New Mexico
21	municipalities and communities have few options and financial
22	incentives for residents to invest in their communities and to
23	receive benefits for doing so; and
24	WHEREAS, a frontier community investment income tax credit
25	would provide an incentive for local investment; and
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<u>underscored material = new</u> [bracketed material] = delete

1 WHEREAS, using the criteria of a population of less than 2 seven thousand five hundred residents with less than two hundred fifty million dollars (\$250,000,000) in gross receipts 3 income to define a frontier community, there are ten counties 4 in New Mexico that would qualify for a frontier community 5 investment income tax credit; and 6 7 WHEREAS, the purposes of a frontier community investment income tax credit are to encourage residents of frontier 8 9 communities to invest in their communities and to create new jobs and provide needed services for frontier communities; and 10 WHEREAS, frontier community investment income tax credits: 11 12 Α. encourage local, private investment in the community; 13 focus on services and communities overlooked by 14 Β. chain stores; 15 C. introduce economic development in rural 16 17 communities: are similar to New Mexico's angel investment D. 18 19 credit for investing in early-stage companies in the southwest, 20 but with a specific focus on rural development; provide benefits proportionally greater than Ε. 21 equivalent investments in larger counties; 22 F. allow an income tax credit in an amount up to 23 twenty-five percent of up to one hundred thousand dollars 24 (\$100,000) of an investment by investors in rural enterprises; 25 .213718.1 - 2 -

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G. encourage employment by requiring businesses to create the equivalent of three full-time jobs within two years of start-up; and

4 H. focus on investor-financed business entities,
5 not individual proprietors; and

WHEREAS, investments in small communities are generally considered to be a riskier proposition because of the lower income of residents and a limited customer base; and

WHEREAS, a frontier community investment income tax credit would provide incentive for local investment by reducing some of the cost and risk of investing in rural, underserved communities;

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF NEW MEXICO that the potential benefits of frontier community investment income tax credits be reviewed and considered; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the governor, the secretary of taxation and revenue and the secretary of economic development.

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