

**Bill Analysis and Fiscal Impact Report  
Taxation and Revenue Department**

**January 28, 2026**

**Bill:**  
HB-82

**Sponsor:**  
Representatives Joseph L. Sanchez and Joshua N. Hernandez

**Short Title:**  
Extend Technology Readiness GRT Credit

**Description:**  
This bill extends the technology readiness gross receipts tax credit sunset from July 1 of 2027 to July 1, 2035. The bill also increases the current \$1 million annual cap per national laboratory by \$1 million dollars over the next four years. The final cap from July 1, 2029, to July 1, 2035, would be \$5 million.

**Effective Date, Applicability, and Contingency Language:**  
July 1, 2026

**Taxation and Revenue Department Analyst:**  
Pedro Clavijo

**Estimated Revenue Impact\***

<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>Recurring or Non-Recurring</b>	<b>Fund(s) Affected</b>
--	(\$2,000)	(\$6,000)	(\$8,000)	(\$10,000)	R	General Fund

\* In thousands of dollars. Parentheses ( ) indicate a revenue loss. \*\* Recurring (R) or Non-Recurring (NR).

**Methodology for Estimated Revenue Impact:**

The bill extends the sunset and increases the annual aggregate amount of credits allowed per national laboratory (labs), reaching \$5 million in FY2030. The Taxation and Revenue Department (Tax & Rev) assumed that the labs have the capacity to assist businesses and therefore fully absorb the credit. This assumption is based on data reported in the 2025 Tax Expenditure Report which indicates the labs immediate absorption at the \$1 million cap level. In general, it is uncertain how this accelerated increase in annual caps will impact the amount of credit the labs may claim, as it depends on the number of businesses assisted and the amount of qualified expenditures incurred by the labs in assisting them, which Tax & Rev cannot anticipate.

**Policy Issues:**

The credit allows local businesses to access the labs' resources to mature technology licensed from a national lab for commercialization. The collaboration between labs and local businesses strengthens the productive network, increasing the potential for technological development and economic diversification connected with lab activities. In general, this credit has taken New Mexico one step closer to its goal of a more complex and diversified economy.

According to the Technology Readiness Initiative FY2025 Progress Report,<sup>1</sup> the labs assisted 22 projects in FY2025, with a total value of assistance provided of \$1.5 million. The assisted companies achieved a positive economic impact after collaborating with the labs, reporting increases in new funding and investments, job creation and retention, and wages.

<sup>1</sup> [https://www.sandia.gov/app/uploads/sites/113/2026/01/TRGR-FY2025-Progress-Report\\_web.pdf](https://www.sandia.gov/app/uploads/sites/113/2026/01/TRGR-FY2025-Progress-Report_web.pdf)

While Tax & Rev often has concerns about the proliferation of tax credits in the Tax Code, the use of such incentives to encourage new and developing industries is one instance where they are warranted. The success of tax incentives in attracting and developing emerging industries and manufacturing, such as alternative and renewable energy manufacturing and production, demonstrates that tax incentives can be an important element in growing new businesses and industries in the state. Tax & Rev supports sunset dates for policymakers to review the impact of tax expenditures before extending them.

**Technical Issues:**

None.

**Other Issues:**

None.

**Administrative & Compliance Impact:**

Tax and Rev will update forms, reports, instructions and publications and make information system changes.

Implementing this bill will have a low impact on Tax & Rev’s Information Technology Division (ITD), requiring approximately 80 hours (about two weeks) and costing \$5,537 in staff workload.

**Estimated Additional Operating Budget Impact\***

<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Non-Recurring</b>	<b>Fund(s) or Agency Affected</b>
\$5.5	--	--	\$5.5	NR	ITD - Staff workload costs

\* In thousands of dollars. Parentheses ( ) indicate a cost saving. \*\* Recurring (R) or Non-Recurring (NR).