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| LFC Requester: | |
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/23/26 *Check all that apply:*
Bill Number: HB 145 Original Correction
 Amendment Substitute

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| Sponsor: <u>Joshua N. Hernandez and Meredith A. Dixon</u> | Agency Name and Code Number: <u>41900</u> |
| Short Title: <u>Extending the date of eligibility for the high wage jobs tax credit</u> | Person Writing: <u>Sara Gutierrez</u> |
| | Phone: <u>505-231-4224</u> Email: <u>Sara.gutierrez@edd.nm.gov</u> |

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY26 | FY27 | | |
| | | | |
| | | | |

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|----------------|----------------|---------------------------|---------------|
| FY26 | FY27 | FY28 | | |
| | Unknown by EDD | Unknown by EDD | Recurring | General Fund |
| | | | | |

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY26 | FY27 | FY28 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|-------------------|---------------------------|---------------|
| Total | | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB 145 amends the current sunset statute scheduled for July 1, 2026 and extends the high wage tax credit eligibility to July 1, 2036, allowing access to the credit for another 10 years.

FISCAL IMPLICATIONS

The Taxation and Revenue Department (TRD) tracks the use of this credit and would be the appropriate agency to provide potential use outlooks.

SIGNIFICANT ISSUES

This tax credit of 8.5 percent can be claimed for each new high-wage economic base job created, up to \$12,750 per job per year, with specific wage thresholds based on community population size. The jobs must be occupied for at least 44 weeks by an eligible employee for the Job Training Incentive Program. The credit applies to various state taxes, with any excess refunded.

The high-wage job tax credit, because it is a refundable credit, is very attractive to both existing New Mexico companies creating high-wage jobs and those locating and considering location to the State. This incentive greatly enhances New Mexico's competitive edge when competing with surrounding states for business location projects. Under the current eligibility requirements, the number of claims and tax credits issued have stabilized over the past several years. It is one of the most valuable tools in the Economic Development Department's toolbox for business expansion and attraction.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Jobs created on or after July 1, 2026, that would otherwise qualify for this credit will no longer qualify.

AMENDMENTS