

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: 1/28/26 *Check all that apply:*
Bill Number: House Bill 154 Original Correction
 Amendment Substitute

Sponsor: <u>Reps. Dixon & Serrato</u>	Agency Name and Code Number: <u>Economic Development Department 41900</u>
Short Title: <u>Advanced Energy Product Definition</u>	Person Writing Phone: <u>Nora Meyers Sackett 505-795-3966</u>
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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		

(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:

House Bill 154 amends the Advanced Energy Equipment Tax Credit to remove reference to federal tax credits under 45X of the Internal Revenue Code and includes definitions of an advanced energy product. The Bill defines an “advanced energy product” as components of solar energy, wind energy, batteries, fusion machines, critical minerals, and end product inverters.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

House Bill 154 ensures that the intent and impact of the State Advanced Energy Equipment Tax Credit remains in place should the federal tax credit change or be removed, enabling the tax credit to continue acting as an economic incentive for economic growth and job creation by supporting manufacturing and company expansion in advanced energy. By removing the reference to the federal tax credit, the Bill mitigates the risk of the State’s tax credit language requiring reference to a federal tax credit that could be removed or changed in a way that could run counter to the State’s intent. Additionally, the inclusion of fusion in the advanced energy product definitions ensures the tax credit can be deployed to incentivize the continued growth of the fusion industry in the State.

The Economic Development Department (EDD) presents the Advanced Energy Equipment Tax Credit to relevant companies looking to do business in the State as an additional mechanism of support and incentivization for advanced energy manufacturing. The specified definitions of advanced energy products contained in HB 154 reflect the State’s technology and innovation sector strengths and economic development priorities, including in fusion technology, where the State has unique strengths with the potential to result in both economic growth and advanced energy development and generation. Supporting the expansion of advanced energy manufacturing is essential for the State’s economic development and economic diversification goals, enabling technology and innovation companies to launch and grow in New Mexico. Manufacturing advanced energy products is extremely capital intensive, making every element of capital availability critical to support industry growth. The revisions in HB154 will positively contribute to the State’s ability to attract and support advanced energy manufacturing investment in New Mexico, making the State more attractive for the establishment and growth of rapidly growing industries while providing certainty separate from the federal government.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

None for EDD.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS