

<b>LFC Requester:</b>	Laird Graeser
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**AGENCY BILL ANALYSIS – 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 2/7/2026 *Check all that apply:*  
**Bill Number:** HB 291 Original  Correction   
 Amendment  Substitute

**Sponsor:** Rep. Lente  
**Short Title:** Tax Changes  
**Agency Name and Code:** Indian Affairs Department  
 60900  
**Number:** \_\_\_\_\_  
**Person Writing:** Amanda Nezzie  
**Phone:** 5056993354 **Email:** amanda.nezzie@iad.nm.gov

**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		
0	Undetermined, negative impacts	Undetermined, negative impacts	Recurring	Tax Administration Fund

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(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) indicate revenue decreases)

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

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: HB 291 expands and clarifies tax credits by allowing film production tax credit expenditures on a federally recognized nations, pueblos and tribes located in New Mexico, and updating definitions for the technology jobs and research and development credit.

The bill establishes effective dates for tax ordinances adopted by nations, tribes and pueblos located in New Mexico under cooperative agreements and expands the entities with which the Secretary of Taxation and Revenue may enter into such agreements. It clarifies the notice and coordination requirement and allows for an emergency clause.

**FISCAL IMPLICATIONS**

The bill does not contain any appropriations to the Indian Affairs Department (IAD). There is no fiscal impact to IAD.

**SIGNIFICANT ISSUES**

Section 7-2F-12 NMSA 1978, Subparagraph (f), ensures that film productions are not financially discouraged from filming on tribal lands by allowing direct production expenditures with tribal governments and tribally located businesses to qualify for the film tax credit, even when those transactions are not subject to state taxation. The provision allows film productions to count spending on tribal lands toward the state film tax credit even though those transactions are not subject to state taxation. This supports equitable access to New Mexico’s film incentive program for tribes, respects tribal sovereignty and promotes economic development in tribal communities by encouraging productions to utilize tribal locations, facilities and vendors. The provision helps direct production spending, job opportunities and long-term industry relationships to tribal nations while strengthening New Mexico’s film industry.

Section 7-2F-13 NMSA 1978 provides film productions to qualify for the 25% new film production tax credit when their spending is taxed by a tribe, not just the state. Tribal tax jurisdictions on equal footing with New Mexico for purposes of the incentive encourages productions to hire tribal businesses, use tribal facilities and perform post-production work on tribal lands.

Section 9-11-12.1 NMSA 1978 is amended to add the Navajo Nation to the tribal cooperative agreement partners and updates the legal name for Ohkay Owingeh. Sections E and F require advance notice and a standard effective date for tribal tax changes tied to the film tax credit program, providing predictability for film productions while allowing tribes to implement tax changes in emergencies or hardship situations.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Film production companies may be less likely to engage within Indian Country.

## **AMENDMENTS**