

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: 1/22/26 *Check all that apply:*
Bill Number: Senate Bill 36 Original Correction
 Amendment Substitute

Sponsor: <u>Sen. Michael Padilla</u>	Agency Name and Code Number: <u>Economic Development Department 41900</u>
Short Title: <u>Quantum Facility Infrastructure Tax Credit</u>	Person Writing: <u>Nora Meyers Sackett</u>
	Phone: <u>505-795-3966</u> Email: <u>Nora.Sackett@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		
(50,000.0)	(50,000.0)	(50,000.0)	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:

Senate Bill 36 establishes two new tax credits – the Quantum Facility Infrastructure Income Tax Credit for individuals and the Quantum Facility Infrastructure Corporate Income Tax Credit for corporations – to encourage investment in quantum technology infrastructure.

The tax credits enable a qualified taxpayer to claim a credit of thirty percent (30%) of qualified expenditures equal to or greater than three million dollars (\$3,000,000) for infrastructure or qualified equipment for a quantum facility, with a cap of fifty million dollars (\$50,000,000) per facility. The total annual aggregate cap for both credits is fifty million dollars (\$50,000,000), and any amount of credit exceeding the relevant tax liability is refundable.

To qualify, the taxpayer must obtain preliminary certification of eligibility for the credit from the Economic Development Department (EDD) prior to incurring a qualified expenditure and must seek final certification from EDD within twelve months of completion of construction of the quantum facility.

The provisions of the bill apply to taxable years 2026 through 2029.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

Recent legislative appropriations, strategic investments and department collaborations have raised New Mexico's visibility globally and is poised to become the Quantum hub in the United States. The Quantum facility infrastructure tax credits will support the growth of quantum industries in New Mexico by incentivizing the development of quantum technology and manufacturing facilities in the State, leading to job creation, positive overall economic impact, and growth of the tax base.

Both across the country and around the world, the quantum technologies industry is growing rapidly, with significant new investment leading to growth. This industry expansion requires quantum companies to open new facilities and create new high-paying jobs. However, the capital intensity of equipment in the industry can be prohibitive, which is what these tax credits are designed to alleviate. New Mexico is not the only state attempting to attract these companies but is well positioned to be the best place for expansion through this and other programs.

While New Mexico has recently attracted other quantum industry activities as a result of State investments and unique research strengths in the field, the State has yet to win any large-scale industry manufacturing.

Due to the capital intensity required for quantum manufacturing, the addition of the quantum facility infrastructure tax credits could be a decisive factor for quantum companies in choosing where to locate and build. New Mexico's existing assets in quantum technology, including national laboratories and research universities, are helpful for research and development but do not

contribute to the capital needed to site large-scale quantum facilities. The quantum facility infrastructure tax credits will grow the capital network available for industry expansion and be unique to New Mexico. While other states like Illinois and Maryland are also attempting to attract the quantum industry to their regions, neither state offers industry-specific capital support of this magnitude.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

If enacted, the legislation would require new administrative and technical duties for the Economic Development Department staff. The legislation requires EDD to issue both preliminary and final certification of eligibility for the tax credits, which will require EDD to develop new systems for eligibility determination, processing, and tracking. EDD expects the overall impact of these duties to be minimal.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS