

LFC Requester:

Ismael Torres

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

SECTION I: GENERAL INFORMATION

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

Date Prepared: 01/24/2026

Check all that apply:

Bill Number: SB 97

Original x Correction
Amendment Substitute

Sponsor: Sen. Michael Padilla

Agency Name and Code Number: 305 – New Mexico Department of Justice

Person Writing

Short Title: TECH "QUALIFIED EXPENDITURE"

Analysis: Jazmin Irazoqui-Morales

Phone: 505-645-5980

Email: Fir.request@nmdoj.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis () indicate expenditure decreases)

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

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis: Senate Bill 97 (“SB 97”) seeks to change several sections within the Technology Jobs and Research and Development Tax Credit Act (the “Act”) found in NMSA 1978, Sections 7-9F-1 to -13.

Section 1: SB 97 proposes to change the definition for a “Qualified Expenditure” by removing the exclusion for “property that is owned by a municipality or county in connection with an industrial revenue bond project.” Section 7-9F-3(G). SB 97 also seeks to amend the definition of a “Qualified Facility” by clarifying that “a facility in New Mexico designated as a national laboratory by an act of congress or a research facility in New Mexico that is owned by the state” is NOT a Qualified Facility. Section 7-9F-3(H).

Section 2: SB 97 proposes to change the time frame for which a taxpayer can claim any additional tax credits not previously claimed. The proposed changes allow a taxpayer to claim any amount of unclaimed tax credits for up to 10 years rather than 3 years.

Section 3: SB 97 proposes to enact a new section of the Technology Jobs and Research and Development Tax Credit Act. Section 7-9F-9.2. The section allows for the transferability of credits from one taxpayer to another and requires that taxpayers notify the department of the sale, exchange or transfer within ten days of the sale, exchange or transfer.

Section 4: SB 97 would apply to taxable years beginning on or after January 1, 2026.

FISCAL IMPLICATIONS

None for the New Mexico Department of Justice (“NMDOJ”) formerly known as the New Mexico Attorney General’s Office.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None for NMDOJ.

ADMINISTRATIVE IMPLICATIONS

None for NMDOJ.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Companion: House Bill 27 (“HB 27”) appears to be a companion to SB 97.

Relation: House Bill 82 (“HB 82”) proposes to amend the Gross Receipts and Compensating Tax Act. More specifically, HB 82 proposes extending the Technology Readiness Gross Receipts Tax Credit found in NMSA 1978, Section 7-9-96.3 until 2035, and to have gradual increases in the amount of credit from 2027 until 2035. This is related to SB 97 because they are both related to Technology Tax Credits.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None.