

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: Senate Bill 97 Original Correction
 Amendment Substitute

Sponsor: <u>Sen. Michael Padilla</u>	Agency Name and Code Number: <u>Economic Development Department 41900</u>
Short Title: <u>Tech "Qualified Expenditure"</u>	Person Writing: <u>Nora Meyers Sackett</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:

Senate Bill 97 amends the Technology Jobs and Research and Development Tax Credit Act to include expenditures on property involved in an industrial revenue bond project as qualified expenditures able to be claimed for the credit. The Bill clarifies that the credit is not applicable to facilities designated as a national laboratory or a state-owned research facility. The Bill also makes the credit transferrable and able to be carried forward for up to ten years.

The provisions of the bill are applicable to taxable years beginning on or after January 1, 2026.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

The tax credit revisions proposed in SB97, specifically making properties involved in industrial revenue bond projects eligible to be claimed for the Technology Jobs and Research and Development Tax Credit, will enable additional companies doing business and conducting research and development activities in New Mexico to claim the credit, creating an additional incentive for their business activities in the State with the potential to yield greater economic impact for the State overall.

The Economic Development Department presents the Technology Jobs and Research and Development Tax Credit to companies looking to do business in the State as an additional mechanism of support for qualified research and development expenditures, but current statutory language preventing the credit from being claimed when an industrial revenue bond is a factor limits the credit's utility. SB97 removes this limitation. Supporting research and development activity is essential for the State's economic development goals, enabling technology and innovation companies to launch and grow in New Mexico. Technology development and commercialization, particularly the industries in which New Mexico is strong, is extremely capital intensive. This structure makes every element of support and capital availability critical to support fundamental research and technology development. The amendments contained in SB97 will positively contribute to the State's ability to support technology and innovation investments in New Mexico, making the State more attractive for the establishment and growth of research and development work.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 97 is a mirror bill to House Bill 27 as introduced.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Without the tax credit amendments proposed in SB97, companies doing research and development work in properties involved in an industrial revenue bond project will be unable to claim the Technology Jobs and Research and Development Tax Credit. Such a limitation hinders the State's ability to incentivize and support technology and innovation economic development and potentially limits the magnitude of economic development and positive economic impact for New Mexico.

AMENDMENTS