

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: 1/29/26 *Check all that apply:*
Bill Number: Senate Bill 172 Original Correction
 Amendment Substitute

Sponsor: <u>Sen. Bobby Gonzales</u>	Agency Name and Code Number: <u>Economic Development Department 41900</u>
Short Title: <u>Extend Technology Readiness GRT Credit</u>	Person Writing Phone: <u>Nora Meyers Sackett 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		

(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 172 (SB 172) extends the Technology Readiness Gross Receipts Tax Credit through July 1, 2035, and incrementally increases the annual aggregate credit cap per national laboratory from one million dollars (\$1,000,000) to five million dollars (\$5,000,000) over four years. The technology readiness gross tax credit shall continue to remain equal to the qualified expenditures by a national laboratory for technology readiness assistance, capped at one hundred fifty thousand dollars (\$150,000) per business per fiscal year.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

The Technology Readiness Gross Receipts Tax Credit, frequently referred to as the “TRGR” program, is a unique tool available to New Mexico businesses for technology commercialization. SB 172 would enable New Mexico’s national laboratories to continue the program and provide additional assistance to New Mexico businesses to support technology maturation, business growth, and economic development for the State.

The Economic Development Department (EDD), particularly the Technology and Innovation Office, works closely with both national laboratories on their respective TRGR programs, including referring New Mexico companies to the program and participating in the thorough review processes each laboratory holds. EDD is not aware of any such program available to technology and innovation companies in any state other than New Mexico. The program is a unique mechanism to support the advancement of technology businesses that have demonstrated numerous distinct successes.

The importance of TRGR is further underscored by the broader economic role of New Mexico’s national laboratories. These national laboratories are major economic drivers and maintain substantial engagement with the State’s private sector. In fiscal year 2025, Los Alamos and Sandia National Laboratories paid \$141 million and \$144 million, respectively, in gross receipts tax to the State; and their collaboration with in-state businesses represents a significant component of the laboratories’ overall economic footprint (Los Alamos National Laboratory *2025 Economic Impact on New Mexico*; Sandia National Laboratories *Economic Impact 2025*).

Despite the significant economic role and technical capacity of the national laboratories, they have reported to EDD a backlog of TRGR projects due to increased demand and the existing \$1 million annual aggregate cap. In FY 2025, for example, Sandia National Laboratories provided the full \$1 million in TRGR-funded technical assistance, supporting 11 projects and companies, including businesses that acquired licenses for Sandia-developed technologies. Those engaged in Cooperative Research and Development Agreements, indicating that available TRGR capacity is fully utilized. Extending the tax credit and increasing the annual aggregate cap will ensure that New Mexico businesses can continue to uniquely benefit from the presence and expertise of the national laboratories hosted by the State. As New Mexico continues to invest in and excel in technology and innovation, commercialization, and industry growth, unique and effective

programs and support mechanisms such as the TRGR program continue to be of great importance to EDD.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate mirror Bill to House Bill 82

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Without the enactment of SB 172, the Technology Readiness Gross Receipts Tax Credit will expire in 2027 and will remain capped at one million dollars in FY 27. The expiration of the credit will end the TRGR program, a mechanism unique to New Mexico that supports technology business advancement and leverages national laboratory staff expertise. A continued cap of one million dollars on the program would also result in a continued backlog of project demand due to the current limit being fully utilized.

AMENDMENTS