

LFC Requester:

**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:** 2/6/2026 *Check all that apply:*  
**Bill Number:** SB 260 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b> <u>George K. Muñoz, Benny Shendo, Jr.</u> <b>Short Title:</b> <u>Workforce Education Tax Credit</u>	<b>Agency Name and Code:</b> <u>Economic Development Department</u> <b>Number:</b> <u>419</u>	<b>Person Writing:</b> <u>Daye Kwon</u> <b>Phone:</b> <u>505-946-7291</u> <b>Email:</b> <u>daye.kwon@edd.nm.gov</u>
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**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
<b>Total</b>						

(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 260 (SB 260) creates a workforce education corporate income tax credit under the Corporate Income and Franchise Tax Act.

For taxable years prior to January 1, 2029, a taxpayer that makes a monetary donation to a public post-secondary educational institution or a school district to fund a workforce education program may claim a credit against corporate income tax liability. The credit equals seventy-five percent of the amount donated in a taxable year, not to exceed \$750,000 per taxpayer.

Taxpayers shall apply to the Economic Development Department (EDD) for certification of eligibility for the credit. The total annual aggregate amount of tax credits that may be certified in a calendar year is capped at \$5 million. EDD shall issue dated certificates of eligibility to qualifying taxpayers and provide the certificates to the Taxation and Revenue Department (TRD). A certificate of eligibility may be sold, exchanged, or transferred to another taxpayer for the full value of the credit.

The provisions of this Bill apply to taxable years beginning on or after January 1, 2026.

#### **FISCAL IMPLICATIONS**

SB 260 does not include funding for any additional personnel or full-time equivalent positions at EDD or TRD for certifying tax credit eligibility and administering the tax credits.

#### **SIGNIFICANT ISSUES**

A workforce education program provides vocational training, career and technical education, and job training to students enrolled at public post-secondary educational institutions or public schools, thereby supporting the development of skills relevant to in-demand fields.

SB 260 promotes private-sector and industry investment in workforce education programs and encourages collaboration aligned with industry needs. By investing in New Mexico school districts and supporting Career & Technical Education (CTE) programs backed by the New Mexico Public Education Department, these efforts can equip students and transitioning workers with career-focused skills that are essential for advancing the State's workforce development and economic diversification objectives. SB 260 incentivizes this investment by tying a corporate income tax credit to donations for such programs.

Strengthening these programs with private-sector and industry support can boost economic growth and help meet future workforce demands. This collaboration can help ensure that education and training programs are aligned with industry needs and provide students with the skills necessary to succeed in their careers. The availability of skilled labor is a significant factor in business site selection, and strengthening the supply of skilled workers can support business

retention and attraction within the State over time.

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

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

**AMENDMENTS**