

1 SENATE BILL 92

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

4 Michael Padilla and Cindy Nava

10 AN ACT

11 RELATING TO TAXATION; CREATING A GROSS RECEIPTS TAX DEDUCTION
12 FOR THE SALE OF CONSTRUCTION MATERIALS AND LABOR USED FOR THE
13 DEVELOPMENT OF AFFORDABLE HOUSING MULTIFAMILY RESIDENTIAL
14 HOUSING PROJECTS.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 **SECTION 1.** A new section of the Gross Receipts and
18 Compensating Tax Act is enacted to read:

19 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--SALE OF
20 CONSTRUCTION MATERIALS AND LABOR USED FOR THE DEVELOPMENT OF
21 AFFORDABLE HOUSING MULTIFAMILY RESIDENTIAL HOUSING PROJECTS.--

22 A. Prior to July 1, 2033, receipts from selling
23 construction materials and labor may be deducted from gross
24 receipts if:

25 (1) the construction materials and labor are

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underscored material = new
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underscored material = new
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1 being used for the purpose of developing multifamily
2 residential housing;

3 (2) the housing units being developed will be
4 affordable housing; and

5 (3) the construction materials and labor are
6 sold to a qualifying grantee pursuant to the Affordable Housing
7 Act.

8 B. The deduction provided by this section shall be
9 included in the tax expenditure budget pursuant to Section
10 7-1-84 NMSA 1978, including the annual aggregate cost of the
11 deduction.

12 C. As used in this section:

13 (1) "affordable housing" means multifamily
14 residential housing primarily for persons or households of low
15 or moderate income;

16 (2) "building" means a structure capable of
17 being renovated or converted into affordable housing or a
18 structure that is to be demolished and is located on land that
19 is donated and upon which affordable housing will be
20 constructed;

21 (3) "low or moderate income" means a household
22 in which the current annual income is at or below eighty
23 percent of the area median income for the geographic area in
24 which the household is located, adjusted for family size, as
25 determined by the United States department of housing and urban

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1 development; and

2 (4) "multifamily residential housing" means
3 any building or portion thereof that is primarily occupied, or
4 is designed or intended to be primarily occupied, as a
5 residence by more than three households. "Multifamily
6 residential housing" includes congregate housing and
7 transitional or temporary housing for homeless persons."

8 SECTION 2. EFFECTIVE DATE.--The effective date of the
9 provisions of this act is July 1, 2026.

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