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SENATE BILL 92

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

INTRODUCED BY

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AN ACT

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

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

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

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

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

(1) the construction materials and labor are

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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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development; and

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

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

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