

SENATE TAX, BUSINESS AND TRANSPORTATION
COMMITTEE SUBSTITUTE FOR
SENATE BILL 172

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

AN ACT

RELATING TO TAXATION; EXTENDING THE TECHNOLOGY READINESS GROSS
RECEIPTS TAX CREDIT.

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

SECTION 1. Section 7-9-96.3 NMSA 1978 (being Laws 2020,
Chapter 22, Section 1, as amended) is amended to read:

"7-9-96.3. TECHNOLOGY READINESS GROSS RECEIPTS TAX
CREDIT.--

A. Prior to July 1, [2027] 2036, a taxpayer that is
a national laboratory that provides technology readiness
assistance to a business that is registered to do business in
New Mexico and has licensed a technology from the national
laboratory or is a participant in a cooperative research and
development agreement with the national laboratory may claim a
tax credit against the taxpayer's gross receipts tax liability

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underscored material = new
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1 imposed pursuant to the Gross Receipts and Compensating Tax
2 Act, excluding any local option gross receipts tax liability.
3 The tax credit provided by this section may be referred to as
4 the "technology readiness gross receipts tax credit".

5 B. The purpose of the technology readiness gross
6 receipts tax credit is to help businesses in New Mexico achieve
7 technology maturation of the businesses' technologies developed
8 at New Mexico national laboratories and increase economic
9 development in the state.

10 C. The amount of a technology readiness gross
11 receipts tax credit shall equal the amount of qualified
12 expenditures incurred by a national laboratory to provide
13 technology readiness assistance to a business, not to exceed
14 one hundred fifty thousand dollars (\$150,000) in a fiscal year
15 per business; provided that the annual aggregate amount of
16 credits allowed per national laboratory per fiscal year shall
17 be limited to ~~one million dollars (\$1,000,000)~~:

18 (1) beginning on July 1, 2027 and prior to
19 July 1, 2028, two million dollars (\$2,000,000);

20 (2) beginning on July 1, 2028 and prior to
21 July 1, 2029, three million dollars (\$3,000,000);

22 (3) beginning on July 1, 2029 and prior to
23 July 1, 2030, four million dollars (\$4,000,000); and

24 (4) beginning on July 1, 2030 and prior to
25 July 1, 2036, five million dollars (\$5,000,000).

1 D. A taxpayer may claim a technology readiness
2 gross receipts tax credit for the taxable period in which the
3 taxpayer provides technology assistance pursuant to this
4 section. That portion of a technology readiness gross receipts
5 tax credit that exceeds a taxpayer's tax liability in the
6 taxable period in which the credit is claimed may be carried
7 forward to succeeding taxable periods.

8 E. To receive a technology readiness gross receipts
9 tax credit, a taxpayer shall apply to the department on forms
10 and in the manner required by the department. The application
11 shall include the following:

12 (1) certification from each business that
13 received technology readiness assistance that:

14 (a) the assistance was made in good
15 faith to help the business demonstrate the feasibility of real-
16 world application of the business's technology; and

17 (b) the assistance was not otherwise
18 available to the business at a reasonable cost through private
19 industry;

20 (2) evidence that the business that received
21 the technology readiness assistance is registered to do
22 business in New Mexico; and

23 (3) evidence that the business's technology is
24 a licensed technology from the national laboratory or the
25 business is a participant in a cooperative research and

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1 development agreement with the national laboratory.

2 F. In addition to the requirements in Subsection E
3 of this section, a national laboratory shall:

4 (1) create forms for technology readiness
5 assistance requests and completion of technology maturation;

6 (2) establish a technology readiness
7 assistance program that will assist businesses to reach
8 technology maturation;

9 (3) consult with the secretary of economic
10 development to seek advice on improvements in the operation of
11 the technology readiness assistance program; and

12 (4) establish a methodology to use state
13 educational institutions that have demonstrated the capability
14 to provide technology readiness assistance.

15 G. A taxpayer shall not claim both a technology
16 readiness gross receipts tax credit and a credit pursuant to
17 the Laboratory Partnership with Small Business Tax Credit Act
18 for assistance provided to the same business in the same
19 taxable period.

20 H. If more than one national laboratory provides
21 technology readiness assistance to a business, the national
22 laboratories shall not claim a technology readiness gross
23 receipts tax credit until coordination is developed between the
24 national laboratories providing the assistance that generates a
25 joint operational plan to ensure that:

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1 (1) the assistance provided by each national
2 laboratory suits the business's needs and challenges; and

3 (2) the combined claims for a technology
4 readiness gross receipts tax credit will not exceed the
5 limitations provided in Subsection C of this section.

6 I. A national laboratory that claims a technology
7 readiness gross receipts tax credit shall submit an annual
8 report in writing to the department, the economic development
9 department and an appropriate legislative interim committee.

10 If more than one national laboratory claims a technology
11 readiness gross receipts tax credit, those laboratories shall
12 jointly submit an annual report. The annual report shall
13 summarize activities related to and the results of the
14 technology readiness assistance programs created by the
15 national laboratories and shall include:

16 (1) a description of each business's
17 technology that has received technology readiness assistance,
18 including progress toward technology maturation and whether,
19 and to what extent, the business is still doing business in New
20 Mexico;

21 (2) results of surveys of businesses to which
22 technology readiness assistance is provided;

23 (3) the total amount of the technology
24 readiness gross receipts tax credits received in the previous
25 fiscal year; and

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1 (4) an economic impact study performed by an
2 uninterested third party.

3 J. At any time after receipt of an annual report
4 required pursuant to this section, the department or the
5 economic development department may provide written
6 instructions to a national laboratory identifying future
7 improvements in the national laboratory's technology readiness
8 assistance program for which it receives a technology readiness
9 gross receipts tax credit.

10 K. As used in this section:

11 (1) "cooperative research and development
12 agreement" means any agreement between a national laboratory
13 and a non-federal party under which the laboratory provides
14 personnel, services, facilities, equipment, intellectual
15 property or other resources and a non-federal party provides
16 funds, personnel, services, facilities, equipment, intellectual
17 property or other resources toward the conduct of specified
18 research or development efforts that are consistent with the
19 missions of the laboratory;

20 (2) "national laboratory" means a prime
21 contractor designated as a national laboratory by act of
22 congress that is operating a facility in New Mexico;

23 (3) "qualified expenditure" means an
24 expenditure by a national laboratory in providing technology
25 readiness assistance and is limited to the following:

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1 (a) employee salaries, wages, benefits
2 and employer payroll taxes;

3 (b) administrative costs related
4 directly to the provision of technology readiness assistance;

5 (c) in-state travel expenses, including
6 per diem and mileage at the internal revenue service standard
7 rate; and

8 (d) supplies and services of contractors
9 that are related to the provision of technology readiness
10 assistance;

11 (4) "state educational institution" means a
12 state educational institution named in Article 12, Section 11
13 of the constitution of New Mexico;

14 (5) "technology maturation" means technology
15 that has been developed to a stage that results in a prototype
16 or demonstration of the feasibility of real-world application
17 of the technology; and

18 (6) "technology readiness assistance" means
19 assistance provided to a business by a national laboratory with
20 the intent to help the business's technology achieve technology
21 maturation."

22 SECTION 2. EFFECTIVE DATE.--The effective date of the
23 provisions of this act is July 1, 2027.