

## 2015 Briefing: Revenue Stabilization and Tax Policy Committee

### Legislation - A True Partnership

- Laboratory Partnership with Small Business Tax Credit Act - *"It is the purpose of the Act to bring the technology and expertise of the national laboratories to small businesses in New Mexico to promote economic development in the state, with emphasis on rural areas."*
- NMSBA is a catalyst for the transfer of cutting-edge technology from two of our nation's leading national laboratories to address a wide range of small business needs across New Mexico.
- This is a great partnership with state of New Mexico, Los Alamos National Laboratory, Sandia National Laboratories, and small businesses to strengthen the economy of New Mexico.
- The Act provides:
  - Up to \$2.4M in tax credit per lab annually to solve problems for small businesses in New Mexico
  - \$20,000 per business annually to help companies in rural counties
  - \$10,000 per business annually to help companies located in urban counties (Bernalillo)

### Accountability & Transparency

- The Taxation and Revenue Department is the administrator of the NMSBA Program.
- Language in the Act requires us to consult with the Secretary of Economic Development to seek advice on improvements in the operation of the NMSBA Program.
- Each year, we meet with the Taxation and Revenue Department, the Economic Development Department, and appropriate legislative committees, typically the Revenue Stabilization and Tax Policy Committee and/or the Economic and Rural Development Committee. At these meetings, we submit our Annual Report, which details the program metrics.
- Surveys
  - Economic Impact: third-party survey and collection of data, followed by a third party performing economic impact analyses
  - Customer Satisfaction: third-party survey and collection of data

### LANL/SNL Joint Program Impact

- Assistance Provided (2000 – 2014)
  - 2341 small businesses assisted – 65% in rural New Mexico
  - \$43.7M of assistance provided to small businesses
  - 33 counties throughout NM served
- Economic Impact (2000 – 2013)
  - 4086 jobs created/retained
  - \$199.9M increase in revenue
  - \$85.0M decrease in operating costs
  - \$68.3M investment in NM goods and services
  - \$77.1M new funding or financing
- Projected Results (2015)
  - 330 – 355 small businesses assisted
  - \$4.5M to \$4.8M of assistance provided to small businesses
  - 28 - 30 counties served throughout NM

## Strategies

- Continue to broaden the types of businesses receiving assistance, increase the range of technical expertise offered by the national laboratories and expand the program's coverage in underserved rural counties.
- Align programmatic objectives with legislative intent, with the State's economic development strategies, and with the two laboratories' technology transfer and commercialization objectives.

## Industry Focus

- **Agricultural Industry**—NMSBA has a long history of working with the agricultural industry, particularly in looking at better ways to manage water and land resources. The laboratories have evaluated water and soil quality issues, provided insight into improving irrigation efficiency, and assessed the feasibility of specific crops. Other critical issues include the evaluation of alternative and complementary revenue sources to maintain profitability, such as renewable energy and commercial soil production.
- **Oil and Gas/Mining**—The primary focus of NMSBA projects in the oil and gas and mining industries have revolved around helping companies evaluate and optimize their resources and address water conservation, reuse, and disposal issues. Other areas of NMSBA assistance have include the evaluation of new technologies and products that could result in increased yields and more sustainable hydrocarbon production.
- **Renewable Energy Industry**—Laboratory researchers are assisting small businesses through a variety of renewable energy projects aimed at improving algal bio-fuel production, designing novel wind turbines, decreasing the risk of geothermal project development, and enabling landowners to understand and promote their renewable energy resources.
- **Manufacturing** – NMSBA has assisted a wide variety of companies from start-ups designing and developing a new product to established manufacturing businesses in need of process improvements to increase production and profitability. The companies range from food processing, to skincare and cosmetics, to sustainable agricultural products, to high value equipment production. This year's Honorable Speaker Ben Lujan Award for Small Business Excellence was presented to Taos Mountain Energy Foods for their NMSBA assistance, which resulted in significant cost savings and increased jobs.
- **High Tech Industry**—Laboratory researchers are assisting a wide range of high tech small businesses within the medical and bio-tech, advanced manufacturing/materials, and scientific sectors to speed the development of their emerging products and services. Lab expertise has contributed to improved understanding of large data sets, development of techniques for measuring the effects of fracking, evaluation of innovative bio-assay methods, characterization of novel materials, and significant design improvements through performance modeling and analysis.

## NM Small Business Introduction

**Pharma Connect Xpress (Santa Fe) – Developed *Xpress*, an innovative distributed software system designed to facilitate interactions between health care providers and the pharmaceutical industry.**

### 2014 Success Story

**Owner: Kimberly Corbitt**