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HOUSE BILL 113

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Brian Egolf

AN ACT

RELATING TO TAXATION; CREATING A ONE-TIME SHORT-TERM REFUNDABLE
TAX CREDIT FOR PURCHASERS OF ELIGIBLE ENERGY-EFFICIENT HOMES.

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

SECTION 1. A new section of the Income Tax Act is enacted
to read:

"[NEW MATERIAL] ENERGY-EFFICIENT HOME INCOME TAX CREDIT.--

A. A taxpayer who files an individual New Mexico
income tax return, who is not a dependent of another taxpayer
and who is the new owner of an eligible energy-efficient home
may claim and the department may allow a credit pursuant to
this section. The credit provided by this section may be
referred to as the "energy-efficient home income tax credit".

B. The purpose of the energy-efficient home income
tax credit is to encourage the construction of new owner-

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1 occupied energy-efficient residential dwellings and the
2 purchase of foreclosed homes renovated to high energy-
3 efficiency standards.

4 C. The amount of the energy-efficient home income
5 tax credit that may be claimed shall be calculated based on the
6 certification level achieved by the eligible energy-efficient
7 home, as indicated on the following chart:

8 Rating System Certification Level	Tax Credit
9 HERS index of 60 or less, but more than 30	\$4,000
10 HERS index of 30 or less, but more than 0	\$6,000
11 HERS index of 0 or less	\$8,000.

12 D. A certified HERS rater building performance
13 institute building analyst or registered professional engineer
14 may use Bestest EX software for purposes of determining
15 eligibility for the energy-efficient home income tax credit for
16 a taxpayer who has purchased a renovated foreclosed home;
17 provided that the rating determined for the renovated
18 foreclosed home indicates that the energy-efficiency increase
19 from the renovations are the following:

20 Rating System Certification	Tax Credit
21 40% or more energy reduction, but less 22 than 70% energy reduction	\$4,000
23 70% or more energy reduction, but less 24 than 100% energy reduction	\$6,000
25 100% energy reduction	\$8,000.

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1 E. A taxpayer who is a homeowner may apply for a
2 certificate of eligibility for the energy-efficient home income
3 tax credit from the energy, minerals and natural resources
4 department after the construction or renovation of the eligible
5 energy-efficient home is completed. A homeowner shall submit a
6 certificate of occupancy at the time the homeowner applies for
7 a certificate of eligibility. Applications shall be considered
8 in the order received. If the energy, minerals and natural
9 resources department determines that the homeowner meets the
10 requirements of this subsection and that the home, with respect
11 to which the tax credit application is made, meets the
12 requirements of this section as an eligible energy-efficient
13 home, the energy, minerals and natural resources department may
14 issue a dated certificate of eligibility to the homeowner,
15 subject to the limitation in Subsection F of this section. The
16 certificate shall include the rating system certification level
17 awarded to the eligible energy-efficient home and the amount of
18 the energy-efficient home income tax credit for which the
19 homeowner is eligible. The energy, minerals and natural
20 resources department may issue rules governing the procedure
21 for administering the provisions of this subsection. All
22 certificates of eligibility issued pursuant to this subsection
23 shall be sequentially numbered, and an account of all
24 certificates issued or destroyed shall be maintained by the
25 energy, minerals and natural resources department. The

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1 taxation and revenue department shall audit the records of the
2 energy-efficient home income tax credit maintained by the
3 energy, minerals and natural resources department on a periodic
4 basis to ensure effective administration of the energy-
5 efficient home income tax credit and to ensure compliance with
6 the Tax Administration Act and this section.

7 F. To be eligible for the energy-efficient home
8 income tax credit, the homeowner shall provide to the taxation
9 and revenue department a certificate of eligibility issued by
10 the energy, minerals and natural resources department pursuant
11 to this section and any other information the taxation and
12 revenue department may require to determine the amount of the
13 tax credit for which the homeowner is eligible.

14 G. A taxpayer who is the homeowner of an eligible
15 energy-efficient home may only claim the energy-efficient home
16 income tax credit provided in this section for the taxable year
17 in which the eligible energy-efficient home is purchased or the
18 taxable year in which the renovations are completed on a home
19 purchased in the previous taxable year. A taxpayer shall apply
20 for approval of the tax credit within one year following the
21 end of the calendar year in which the eligible energy-efficient
22 home is purchased.

23 H. The tax credit provided for in this section
24 shall first be deducted from the taxpayer's New Mexico income
25 tax liability. If the tax credit exceeds the taxpayer's income

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1 tax liability, the excess shall be refunded to the taxpayer.
2 The energy-efficient home income tax credit shall not be
3 transferred to another taxpayer.

4 I. A husband and wife who file separate returns for
5 a taxable year in which they could have filed a joint return
6 may each claim only one-half of the energy-efficient home
7 income tax credit that would have been allowed on a joint
8 return.

9 J. The taxation and revenue department shall
10 annually report to the interim revenue stabilization and tax
11 policy committee the aggregate amount of energy-efficient home
12 income tax credits allowed during the preceding taxable year,
13 the number of taxpayers claiming that tax credit and any other
14 information that the department determines is necessary to
15 evaluate whether the energy-efficient home income tax credit is
16 achieving the purpose for which it was enacted.

17 K. Acceptance of the energy-efficient home income
18 tax credit is authorization for the department to reveal to the
19 legislature information from the tax return of the taxpayer
20 deemed necessary to evaluate the effectiveness of that credit.

21 L. As used in this section:

22 (1) "Bestest EX software" means a software
23 simulation tool that analyzes the energy use of an existing
24 home, that produces energy audits and that has been approved by
25 the national renewable energy laboratory of the United States

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1 department of energy for these purposes;

2 (2) "eligible energy-efficient home" means an
3 owner-occupied single-family residential dwelling:

4 (a) for which construction or renovation
5 begins on or after July 1, 2015 but not after June 30, 2018;

6 (b) for which an energy-efficient home
7 income tax credit has not been previously claimed;

8 (c) that has a HERS 60 or better rating
9 and is a purchased or custom-built home or a purchased
10 foreclosed home that has been renovated; and

11 (d) that has been issued a certificate
12 of occupancy;

13 (3) "HERS index" means the home energy-rating
14 system with a numerical rating, with each integer value
15 representing a corresponding percentage of energy usage
16 compared to a standard reference building design that complies
17 with the 2004 International Energy Conservation Code designated
18 as HERS 100 by a certified HERS rater building performance
19 institute building analyst or registered professional engineer
20 using the simulated alternative performance path for
21 compliance. An index value of HERS 0 means a home has on-site
22 renewable-energy sources that provide an amount of energy equal
23 to or greater than the amount of energy used by that home; an
24 index value of HERS 30 means a home has a seventy percent
25 energy reduction below the 2004 International Conservation Code

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1 standard reference building design; and an index value of HERS
2 60 means a home has a forty percent energy reduction below the
3 2004 International Conservation Code standard reference
4 building design; and

5 (4) "homeowner" means the purchaser, owner and
6 occupant of an eligible energy-efficient home, but does not
7 include the subsequent purchaser of an eligible energy-
8 efficient home with respect to which an energy-efficient home
9 income tax credit has been previously claimed."

10 SECTION 2. APPLICABILITY.--The provisions of this act
11 apply to:

12 A. taxable years beginning on or after January 1,
13 2015 but not after December 31, 2018; and

14 B. single-family residential houses, the
15 construction of which began on or after July 1, 2015 but not
16 after June 30, 2018.

17 SECTION 3. EFFECTIVE DATE.--The effective date of the
18 provisions of this act is July 1, 2015.