

State of New Mexico - Taxation and Revenue Department
**RENEWABLE ENERGY PRODUCTION TAX CREDIT
CLAIM FORM**

Name of the claimant	Claimant New Mexico Business Tax Identification Number (NMBTIN)	Federal employer identification number (FEIN)
Name of qualified energy generator if different from claimant		
Address		City / state / ZIP code
Name of contact person		Phone number and e-mail address

Section I. Calculate credit claimed for the current tax year.

1. Enter the tax year in which the electricity was produced for this claim; **or** if the taxpayer files a fiscal-year or a short-year return, enter the beginning and ending dates of the tax year. From _____ **OR** _____ to _____
2. Enter the date the qualified energy generator began producing electricity. ____ / ____ / ____
mm dd ccy
3. Enter the **lesser** of either the kilowatt-hours of electricity produced by the qualified energy generator using a qualified energy resource in the current tax year, or the qualified annual production potential of the generating facility as certified by the Energy, Minerals and Natural Resources Department (EMNRD). \$ _____
4. Enter the amount of tax credit per kilowatt-hour to be applied to electricity produced during the current tax year. See "THE AMOUNT OF THE CREDIT" in the instructions. _____
5. Multiply line 3 by line 4. This is the amount of credit that may be claimed by the qualified energy generator in the current tax year. \$ _____
6. Enter the percentage of the renewable energy production tax credit that may be claimed by the claimant. The percentage must match the percentage for the claimant as shown on the Notice of Allocation issued by EMNRD for the year of this claim. _____ %
7. Multiply line 5 by line 6. This is the amount of renewable energy production tax credit that may be claimed by the claimant for the current tax year. \$ _____

Section II. Calculate unused credits for carry forward from prior tax year claims.

Use Schedule A to calculate the credits carried forward from claims approved for prior-years. NOTE: Any portion of the tax credit unused at the end of the claimant's tax year may be carried forward for five (5) consecutive tax years.

8. Total unused credits for carry forward from prior claims. (Enter the sum of column (d), Schedule A.) \$ _____

Section III. Credit taken in current tax year.

9. Total credit available in the current tax year (add lines 7 and 8). \$ _____
10. Credit taken in the current tax year. Enter the portion of total credit available in the current tax year, line 9, that you wish to claim against the current income tax return. \$ _____
11. Credit to be refunded to the claimant. Excess credit is refunded if the qualified energy generator first produced electricity using a qualified energy resource on or after October 1, 2007. \$ _____

Enter the credit taken (the amount on line 10 of this form) on the corporate, personal or fiduciary income tax return.

NOTE: Failure to attach this form and required attachments (Certificate of Eligibility and Notice of Allocation from EMNRD) to your return will result in denial.

I declare I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief this application is true, correct and complete.

_____ Authorized Signature	_____ Title	_____ Date
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State of New Mexico - Taxation and Revenue Department
RENEWABLE ENERGY PRODUCTION TAX CREDIT
Schedule A

To complete **Section II** of the claim Form RPD-41227, *Renewable Energy Production Tax Credit Claim Form*, attach a completed Schedule A to compute unused credits for carry forward from prior tax year claims.

(a) Tax year of previous claim. For each credit claimed in a previous tax year with unused credit available for carry forward, enter the tax year in which the credit was first claimed. Enter the four-digit year if the credit was claimed in a calendar year. For fiscal-year and short-year returns, enter the beginning and ending dates of the tax year. For example, enter 2003 if the tax year is a calendar year, or enter 07/01/2002 to 07/30/2003, if the tax year is a fiscal year. Do not enter a credit if the credit is no longer available for carry forward. Excess renewable energy production tax credit may only be carried forward for five years following the tax year that the credit is first claimed.

(b) Credit claimed. For each credit claimed in column (a), enter the amount of credit that was approved for that tax year.

(c) Total credit taken in previous tax years. For each credit amount listed in column (b), enter the total amount of credit applied to personal or corporate income tax liabilities in prior year returns.

(d) Unused credit available for carry forward from prior claims. Subtract column (c) from column (b) and enter the difference.

Total unused credit available for carry forward. Enter the sum of all amounts in column (d). Also enter this amount on line 8 of Form RPD-41227.

You must apply credit approved to be claimed in the tax year first. If the credit amount approved to be claimed in a tax year is less than the personal or corporate income tax liability for that year, you may apply unused credit available for carry forward next. When applying excess credits available for carry forward, apply the oldest credit first.

NOTE: Taxpayers who have received approval for tax credits for facilities that first produced electricity on, or after, October 1, 2007, can claim a refund for any credits in excess of their tax liability.

(a) Tax year of previous claim	(b) Credit claimed	(c) Total credit taken in previous tax years	(d) Unused credit for carry forward from prior claims [(b) - (c)]
<p>Total unused credit available for carry forward. Enter the sum of all amounts in column (d). Also enter this amount on line 8 of Form RPD-41227.</p>			

RENEWABLE ENERGY PRODUCTION TAX CREDIT CLAIM FORM INSTRUCTIONS

ABOUT THIS CREDIT: For tax years beginning on or after July 1, 2002, a corporate taxpayer who owns a qualified energy generator is eligible for a tax credit in an amount equal to one cent (\$.01) per kilowatt-hour of electricity produced by the qualified energy generator using a qualified energy resource in the tax year. Taxpayers certified under the old law are eligible for the tax credit **for ten consecutive years, beginning on the date the qualified energy generator begins producing electricity**, or until either the facility goes out of production for more than six consecutive months in a year or until the facility's ten-year eligibility has expired. Prior to January 1, 2008, the credit may be deducted from the claimant's New Mexico corporate income tax liability for the tax year.

Beginning January 1, 2008, the 2007 New Mexico Legislature expanded the credit as follows:

- The credit is allowed only for facilities that first produce electricity before January 1, 2018.
- The credit is expanded to include taxpayers in the Income Tax Act.
- A variable rate of credit is added for electricity produced using solar energy.
- The definition of biomass was amended to include a variety of organic materials that are available on a renewable basis including landfill gas and municipal solid waste.
- The minimum size of an eligible facility for the credit is reduced from ten megawatts to one megawatt.
- The maximum amount of electricity that can be certified as eligible for the credit is increased for solar facilities only. An additional 500,000 megawatt hours (MWh) of solar-generated power -- in addition to the two million MWh from wind and biomass power sources -- can be approved for credits.
- Taxpayers who have received approval for tax credits for facilities that first produced electricity on, or after, October 1, 2007, can claim a refund for any credits in excess of their tax liability.
- The total amount of electricity that can qualify for the corporate and individual income tax credits is two million MWh, plus an additional 500,000 MWh for solar facilities.

Beginning July 1, 2021, the 2021 New Mexico Legislature clarified that the credit is for 120 months in place of ten years. It also added an 11th taxable year credit rate for solar-light-derived or solar-heat-derived qualified energy resource.

The remaining instructions have been modified to include current law.

WHO MAY CLAIM THE CREDIT: A taxpayer who files a New Mexico personal income tax and who is not a dependent of another taxpayer or who files a New Mexico personal, corporate or fiduciary tax return and who:

- (1) holds title to a qualified energy generator that first pro-

- duced electricity on or before January 1, 2018; or
- (2) leases such a facility from a county or municipality under the authority of an industrial revenue bond and if the qualified energy generator first produced electricity on or before January 1, 2018, may claim all or a portion of the renewable energy production tax credit.

A taxpayer may be allocated all or a portion of the right to claim the credit without regard to proportional ownership interest if:

1. the taxpayer owns an interest in a business entity that is taxed federally as a partnership,
2. the business entity:
 - a. would qualify for the renewable energy production tax credit,
 - b. owns an interest in a business entity that is also taxed as a partnership and that would qualify for the renewable energy production tax credit; or
 - c. owns, through one or more intermediate business entities that are each taxed as a partnership, an interest in the business entity described in the previous paragraph (b).
3. the taxpayer and all other taxpayers allocated a right to claim the credit own collectively at least five percent interest in a qualified energy generator;
4. the business entity provides notice of the allocation and the taxpayer's interest to the New Mexico Energy, Minerals and Natural Resources Department (EMNRD); and
5. EMNRD certifies the allocation in writing to the taxpayer.

To allocate or apportion the right to claim all or a portion of the renewable energy production tax credit a Notice of Allocation for each taxable year the credit is claimed need to be submitted to EMNRD for approval and once approved it will need to be provided to the Taxation and Revenue Department (TRD). Contact Information for EMNRD: New Mexico Energy, Minerals and Natural Resources Department, Energy Conservation and Management Division, P.O. Box 6429, Santa Fe, NM 87504-6429, or call (505) 476-3310 or email emnrd.taxcredits@state.nm.us

THE AMOUNT OF THE CREDIT: A taxpayer is eligible for the renewable energy production tax credit for 120 consecutive months beginning with the date the qualified energy generator begins producing electricity. Compute the credit based on actual electricity produced for each of the taxable years that is within the 120 months.

For a qualified energy generator using a wind- or biomass-derived qualified energy resource, the amount of tax credit is the lesser of \$.01 per kilowatt-hour of the first 400,000 megawatt-hours of electricity produced by the qualified energy generator in the tax year or the estimated annual production potential of the generating facility as determined by EMNRD.

For a qualified energy generator using a solar-light-derived or solar-heat-derived qualified energy resource, the amount of tax credit varies based on the tax year following the date

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the generator first produces electricity using the qualified energy resource. The chart below shows the amount of tax credit for the first 200,000 megawatt-hours of electricity produced by the qualified energy generator in the applicable tax year following the day the qualified energy generator first produces electricity.

Tax Credit per kilowatt hour	Tax year
\$.015	1st
\$.02	2nd
\$.025	3rd
\$.03	4th
\$.035	5th
\$.04	6th
\$.035	7th
\$.03	8th
\$.025	9th
\$.02	10th
\$.015	11th

The total renewable energy tax credit allowed by all claimants may not exceed the limits set for the renewable energy tax credit allowed for the qualified energy generator. Credit may not be claimed with respect to the same electricity production under *both* Section 7-2-18.18 and 7-2A-19 NMSA 1978.

A facility's credit for a tax year is limited to the qualified annual production potential of the generating facility as certified by EMNRD.

APPLYING FOR CERTIFICATION FROM EMNRD:

EMNRD certifies the eligibility of an energy generator and the estimated annual production potential of the generating facility. The facility's estimated annual production potential limits the facility's energy production eligible for the tax credit for the tax year. The total amount of electricity that may be produced annually by all qualified energy generators that are certified may not exceed a total of two million megawatt-hours plus an additional 500,000 megawatt-hours produced by qualified energy generators using a solar-light-derived or solar-heat-derived qualified energy resource. Applications will be considered in the order received.

Note: If allocating the right to claim all or a portion of the renewable energy production tax credit, a Notice of Allocation will have to be approved for each taxable year the qualified energy generator produces energy and qualifies for the credit.

To obtain a certificate of eligibility and an Notice of Allocation for the right to claim all or a portion of the renewable energy production tax credit contact: New Mexico Energy, Minerals and Natural Resources Department, Energy Conservation and Management Division, P.O. Box 6429, Santa Fe, NM

87504-6429, or call (505) 476-3310.
or email emnr.d.taxcredits@state.nm.us

Once the certificate of eligibility and the Notice of Allocation, is approved by EMNRD you may submit the approved Notice of Allocation to the New Mexico Taxation and Revenue Department (TRD) along with this completed form, see below for more information.

HOW TO CLAIM THE CREDIT:

A taxpayer may claim the renewable energy production tax credit by submitting to TRD, a completed Form RPD-41227, *New Mexico Renewable Energy Production Tax Credit Claim Form*, the Certificate of Eligibility issued by EMNRD, the Notice of Allocation approved by EMNRD and documentation showing the amount of electricity produced by the facility in the taxable year. TRD may require additional information to verify eligibility. If the requirements have been complied with, TRD shall approve the claim and any available payment for the renewable energy production tax credit as indicated on the claim form and the associated personal, corporate or fiduciary tax return Schedule CR for the taxable year.

The credit may be deducted from a taxpayer's New Mexico corporate, personal, and fiduciary income tax liability for the tax year for which the credit is claimed. If the amount of tax credit exceeds the taxpayer's personal, corporate, or fiduciary income tax liability for the tax year:

- (1) the excess may be carried forward for a period of five tax years; or
- (2) if the tax credit was issued with respect to a qualified energy generator that first produced electricity using a qualified energy resource on or after October 1, 2007, the excess shall be refunded to the taxpayer.

Renewable energy production tax credit approved to be claimed for the current tax year must be applied first. If the credit amount approved to be claimed in a tax year is less than the personal or corporate income tax liability for that year, you may apply unused credit available for carry forward. When applying unused credits available for carry forward, apply the oldest credit first.

Report the credit taken on the New Mexico personal income tax return, corporate income tax return or fiduciary income tax return. Submit Form RPD-41227, *New Mexico Renewable Energy Production Tax Credit Claim Form*, and attachments with your income tax return.

Once a taxpayer has been granted a renewable energy production tax credit for a given facility, that taxpayer shall be allowed to retain the facility's original date of application for tax credits for that facility until either the facility goes out of production for more than six consecutive months in a year or until the facility's 120 months eligibility has expired.

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IMPORTANT DEFINITIONS:

Biomass means organic material that is available on a renewable or recurring basis, including:

- (a) forest-related materials, including mill residues, logging residues, forest thinnings, slash, brush, low-commercial value materials or undesirable species, salt cedar and other phreatophyte or woody vegetation removed from river basins or watersheds and woody material harvested for the purpose of forest fire fuel reduction or forest health and watershed improvement;
- (b) agricultural-related materials, including orchard trees, vineyard, grain or crop residues, including straw and stover, aquatic plants and agricultural processed co-products and waste products including fats, oils, greases, whey and lactose;
- (c) animal waste, including manure and slaughterhouse and other processing waste;
- (d) solid woody waste materials, including landscape or right-of-way tree trimmings, rangeland maintenance residues, waste pallets, crates and manufacturing, construction and demolition wood wastes, excluding pressure-treated, chemically treated or painted wood wastes and wood contaminated with plastic;
- (e) crops and trees planted for the purpose of being used to produce energy;

- (f) landfill gas, wastewater treatment gas and biosolids, including organic waste byproducts generated during the wastewater treatment process; and
- (g) segregated municipal solid waste, excluding tires and medical and hazardous waste.

Qualified energy generator means an electric generating facility with at least one megawatt generating capacity located in New Mexico that produces electricity using a qualified energy resource and the electricity produced is sold to an unrelated person.

Qualified energy resource means a resource that generates electrical energy by means of a fluidized bed technology or similar low-emissions technology, or a zero-emissions generation technology that has substantial long-term production potential and that uses only solar light, solar heat, wind, or biomass.

POINTS OF CONTACT:

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