



The Legislature
of the
State of New Mexico

52nd Legislature, 1st Session

LAWS 2015

CHAPTER _____

SENATE BILL 391, as amended

Introduced by

SENATOR MIMI STEWART
SENATOR BILL B. O'NEILL
SENATOR JOHN M. SAPIEN
SENATOR PETER WIRTH



POCKET VETOED

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AN ACT
RELATING TO TAXATION; AMENDING A SECTION OF THE INCOME TAX
ACT TO EXTEND THE SOLAR MARKET DEVELOPMENT TAX CREDIT.

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

SECTION 1. Section 7-2-18.14 NMSA 1978 (being Laws
2006, Chapter 93, Section 1, as amended) is amended to read:

"7-2-18.14. SOLAR MARKET DEVELOPMENT TAX CREDIT--
RESIDENTIAL AND SMALL BUSINESS SOLAR THERMAL AND PHOTOVOLTAIC
MARKET DEVELOPMENT TAX CREDIT.--

A. Except as provided in Subsection C of this
section, a taxpayer who files an individual New Mexico income
tax return for a taxable year beginning on or after
January 1, 2006 and who purchases and installs after
January 1, 2006 a solar thermal system or a photovoltaic
system in a residence, business or agricultural enterprise in
New Mexico owned by that taxpayer may apply for, and the
department may allow, a solar market development tax credit
as follows:

(1) if the system is installed prior to
January 1, 2019, up to ten percent of the purchase and
installation costs of the system;

(2) if the system is installed on or after
January 1, 2019 and prior to January 1, 2021, up to nine
percent of the purchase and installation costs of the system;

1 (3) if the system is installed on or after
2 January 1, 2021 and prior to January 1, 2022, up to eight
3 percent of the purchase and installation costs of the system;

4 (4) if the system is installed on or after
5 January 1, 2022 and prior to January 1, 2023, up to seven
6 percent of the purchase and installation costs of the system;

7 (5) if the system is installed on or after
8 January 1, 2023 and prior to January 1, 2024, up to six
9 percent of the purchase and installation costs of the system;
10 and

11 (6) if the system is installed on or after
12 January 1, 2024 and prior to January 1, 2025, up to five
13 percent of the purchase and installation costs of the system.

14 B. The total solar market development tax credit
15 allowed for either a photovoltaic system or a solar thermal
16 system shall not exceed nine thousand dollars (\$9,000). The
17 department shall allow solar market development tax credits
18 only for solar thermal systems and photovoltaic systems
19 certified by the energy, minerals and natural resources
20 department.

21 C. Solar market development tax credits may not be
22 claimed or allowed for:

23 (1) a heating system for a swimming pool or
24 a hot tub; or

25 (2) a commercial or industrial photovoltaic

1 system other than an agricultural photovoltaic system on a
2 farm or ranch that is not connected to an electric utility
3 transmission or distribution system.

4 D. The department may allow a maximum annual
5 aggregate of:

6 (1) two million dollars (\$2,000,000) in
7 solar market development tax credits for solar thermal
8 systems; and

9 (2) three million dollars (\$3,000,000) in
10 solar market development tax credits for photovoltaic
11 systems.

12 E. A portion of the solar market development tax
13 credit that remains unused in a taxable year may be carried
14 forward for a maximum of ten consecutive taxable years
15 following the taxable year in which the credit originates
16 until fully expended.

17 F. Prior to July 1, 2006, the energy, minerals and
18 natural resources department shall adopt rules establishing
19 procedures to provide certification of solar thermal systems
20 and photovoltaic systems for purposes of obtaining a solar
21 market development tax credit. The rules shall address
22 technical specifications and requirements relating to safety,
23 code and standards compliance, solar collector orientation
24 and sun exposure, minimum system sizes, system applications
25 and lists of eligible components. The energy, minerals and

1 natural resources department may modify the specifications
2 and requirements as necessary to maintain a high level of
3 system quality and performance.

4 G. As used in this section:

5 (1) "photovoltaic system" means an energy
6 system that collects or absorbs sunlight for conversion into
7 electricity; and

8 (2) "solar thermal system" means an energy
9 system that collects or absorbs solar energy for conversion
10 into heat for the purposes of space heating, space cooling or
11 water heating."

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s/John A. Sanchez
John A. Sanchez, President
Senate

s/Lenore M. Naranjo
Lenore M. Naranjo, Chief Clerk
Senate

s/Don L. Tripp
Don L. Tripp, Speaker
House of Representatives

s/Denise Ramonas
Denise Ramonas, Chief Clerk
House of Representatives

Approved by me this _____ day of _____, 2015

s/Governor Susana Martinez
Governor Susana Martinez
State of New Mexico