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AN ACT
RELATING TO TAXATION; EXTENDING THE TECHNOLOGY READINESS
GROSS RECEIPTS TAX CREDIT; REPEALING THE TECHNOLOGY READINESS
GROSS RECEIPTS TAX CREDIT FUND; REPEALING THE CREDIT'S
DELAYED REPEAL.

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) is amended to read:

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

A. Prior to July 1, 2027, 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 imposed pursuant to the Gross Receipts and
Compensating Tax Act, excluding any local option gross
receipts tax liability. The tax credit provided by this
section may be referred to as the "technology readiness gross
receipts tax credit".

B. The purpose of the technology readiness gross
receipts tax credit is to help businesses in New Mexico

1 achieve technology maturation of the businesses' technologies
2 developed at New Mexico national laboratories and increase
3 economic development in the state.

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

12 D. A taxpayer may claim a technology readiness
13 gross receipts tax credit for the taxable period in which the
14 taxpayer provides technology assistance pursuant to this
15 section. That portion of a technology readiness gross
16 receipts tax credit that exceeds a taxpayer's tax liability
17 in the taxable period in which the credit is claimed may be
18 carried forward to succeeding taxable periods.

19 E. To receive a technology readiness gross
20 receipts tax credit, a taxpayer shall apply to the department
21 on forms and in the manner required by the department. The
22 application shall include the following:

23 (1) certification from each business that
24 received technology readiness assistance that:

25 (a) the assistance was made in good

1 faith to help the business demonstrate the feasibility of
2 real-world application of the business's technology; and

3 (b) the assistance was not otherwise
4 available to the business at a reasonable cost through
5 private industry;

6 (2) evidence that the business that received
7 the technology readiness assistance is registered to do
8 business in New Mexico; and

9 (3) evidence that the business's technology
10 is a licensed technology from the national laboratory or the
11 business is a participant in a cooperative research and
12 development agreement with the national laboratory.

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

15 (1) create forms for technology readiness
16 assistance requests and completion of technology maturation;

17 (2) establish a technology readiness
18 assistance program that will assist businesses to reach
19 technology maturation;

20 (3) consult with the secretary of economic
21 development to seek advice on improvements in the operation
22 of the technology readiness assistance program; and

23 (4) establish a methodology to use state
24 educational institutions that have demonstrated the
25 capability to provide technology readiness assistance.

1 G. A taxpayer shall not claim both a technology
2 readiness gross receipts tax credit and a credit pursuant to
3 the Laboratory Partnership with Small Business Tax Credit Act
4 for assistance provided to the same business in the same
5 taxable period.

6 H. If more than one national laboratory provides
7 technology readiness assistance to a business, the national
8 laboratories shall not claim a technology readiness gross
9 receipts tax credit until coordination is developed between
10 the national laboratories providing the assistance that
11 generates a joint operational plan to ensure that:

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

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

17 I. A national laboratory that claims a technology
18 readiness gross receipts tax credit shall submit an annual
19 report in writing to the department, the economic development
20 department and an appropriate legislative interim committee.
21 If more than one national laboratory claims a technology
22 readiness gross receipts tax credit, those laboratories shall
23 jointly submit an annual report. The annual report shall
24 summarize activities related to and the results of the
25 technology readiness assistance programs created by the

1 national laboratories and shall include:

2 (1) a description of each business's
3 technology that has received technology readiness assistance,
4 including progress toward technology maturation and whether,
5 and to what extent, the business is still doing business in
6 New Mexico;

7 (2) results of surveys of businesses to
8 which technology readiness assistance is provided;

9 (3) the total amount of the technology
10 readiness gross receipts tax credits received in the previous
11 fiscal year; and

12 (4) an economic impact study performed by an
13 uninterested third party.

14 J. At any time after receipt of an annual report
15 required pursuant to this section, the department or the
16 economic development department may provide written
17 instructions to a national laboratory identifying future
18 improvements in the national laboratory's technology
19 readiness assistance program for which it receives a
20 technology readiness gross receipts tax credit.

21 K. As used in this section:

22 (1) "cooperative research and development
23 agreement" means any agreement between a national laboratory
24 and a non-federal party under which the laboratory provides
25 personnel, services, facilities, equipment, intellectual

1 property or other resources and a non-federal party provides
2 funds, personnel, services, facilities, equipment,
3 intellectual property or other resources toward the conduct
4 of specified research or development efforts that are
5 consistent with the missions of the laboratory;

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

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

12 (a) employee salaries, wages, benefits
13 and employer payroll taxes;

14 (b) administrative costs related
15 directly to the provision of technology readiness assistance;

16 (c) in-state travel expenses, including
17 per diem and mileage at the internal revenue service standard
18 rate; and

19 (d) supplies and services of
20 contractors that are related to the provision of technology
21 readiness assistance;

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

25 (5) "technology maturation" means technology

1 that has been developed to a stage that results in a
2 prototype or demonstration of the feasibility of real-world
3 application of the technology; and

4 (6) "technology readiness assistance" means
5 assistance provided to a business by a national laboratory
6 with the intent to help the business's technology achieve
7 technology maturation."

8 SECTION 2. TEMPORARY PROVISION--TRANSFER OF FUNDS.--

9 Money in the technology readiness gross receipts tax credit
10 fund shall be transferred to the general fund.

11 SECTION 3. REPEAL.--

12 A. Section 7-1-6.65 NMSA 1978 (being Laws 2020,
13 Chapter 22, Section 2) is repealed.

14 B. Laws 2020, Chapter 22, Section 3 is repealed.

15 SECTION 4. EFFECTIVE DATE.--The effective date of the

16 provisions of this act is July 1, 2022. _____

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