

LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/3/25 *Check all that apply:*
Bill Number: Senate Bill 211 Original Correction
 Amendment Substitute

Sponsor: Sens. Padilla and Soules **Agency Name** Economic Development
Short Title: QUANTUM FACILITY **and Code** Department
INFRASTRUCTURE TAX CREDIT **Number:** 41900
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 211 creates the Quantum Facility Infrastructure Income Tax Credit and Quantum Facility Infrastructure Corporate Income Tax Credit.

Each tax credit enables a qualified individual or corporate taxpayer to claim a credit of thirty percent (30%) of qualified expenditures for infrastructure for a quantum facility. The credit applies to expenditures equal to or greater than three million dollars (\$3,000,000). The maximum credit that can be claimed per quantum facility is fifty million dollars (\$50,000,000), and any amount of credit that exceeds the relevant tax liability is refundable.

The legislation caps the total amount across both credits able to be certified at seventy-five million dollars (\$75,000,000). Should New Mexico be awarded a National Science Foundation Regional Innovation Engines Award for quantum technologies, the total amount of both credits able to be certified will increase to one hundred and fifty million dollars (\$150,000,000) in the calendar year of the award.

The legislation requires the taxpayer to obtain preliminary certification of eligibility for the credit from the Economic Development Department (EDD) prior to incurring a qualified expenditure and seek final certification from EDD within twelve months of completion of construction of the quantum facility.

The tax credits would be repealed January 1, 2036.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

SB211 will support the growth of the quantum technologies industry in New Mexico by incentivizing the development of quantum technology facilities in the state, leading to job creation, overall economic impact, and the growth of the tax base. Both across the country and around the world, the quantum technologies industry is growing rapidly, with large amounts of new investment leading to growth and requiring the expansion of physical facilities and the creation of new jobs. By providing a refundable tax credit on related capital expenditures for quantum companies that relocate to or expand in the state, New Mexico will offer a financial incentive that ensures this growth takes place within the state.

The state is optimally positioned to capitalize on the industry's growth due to the presence of two national laboratories with world-renowned specialization in quantum technologies, as well as the University of New Mexico's premier quantum physics program and the state's overall appetite for innovation and economic development in science and technology. New Mexico is currently in the running for an NSF Regional Innovation Engines Award in quantum technologies – should that be awarded, additional quantum technology industry will look to be involved in the federally-funded work being done in the state, creating additional potential users of the expanded

credit amount. As the quantum technologies industry grows in New Mexico, related industries such as component manufacturing and artificial intelligence development are likely to co-locate, further adding to the positive economic impact. The quantum technologies industry and related innovation industries create numerous jobs across a number of fields, not all requiring graduate-level education, that typically exceed New Mexico's current average wage.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

If enacted, the legislation would require new administrative and technical duties for Economic Development Department staff. The legislation requires EDD to issue both preliminary and final certification of eligibility for the tax credits, which will require the department to develop new systems for eligibility determination, processing, and tracking.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS