

1 HOUSE BILL 472
2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY
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10 AN ACT
11 RELATING TO TAXATION; CREATING THE ABANDONED BUILDING
12 REVITALIZATION CORPORATE INCOME TAX CREDIT.
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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. A new section of the Corporate Income and
16 Franchise Tax Act is enacted to read:

17 "[NEW MATERIAL] ABANDONED BUILDING REVITALIZATION
18 CORPORATE INCOME TAX CREDIT.--

19 A. A taxpayer that, beginning on the effective date
20 of this section and prior to January 1, 2036, incurs
21 rehabilitation expenses for the rehabilitation of an abandoned
22 building in New Mexico may claim a credit against the
23 taxpayer's tax liability imposed pursuant to the Corporate
24 Income and Franchise Tax Act. The tax credit provided by this
25 section may be referred to as the "abandoned building

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1 revitalization corporate income tax credit".

2 B. The credit provided by this section shall be in
3 an amount equal to twenty-five percent of the rehabilitation
4 expenses incurred, up to a maximum of seven hundred thousand
5 dollars (\$700,000) per taxpayer; provided that the
6 rehabilitation expenses are at least eighty percent but not
7 more than one hundred twenty-five percent of the estimated
8 rehabilitation expenses stated in the notice of intent to
9 rehabilitate pursuant to Subsection C of this section.

10 C. Prior to incurring rehabilitation expenses, a
11 taxpayer shall apply for pre-certification from the economic
12 development department on forms and in the manner prescribed by
13 that department. The application shall include a proposal for
14 the abandoned building rehabilitation project and a notice of
15 intent to rehabilitate. If the economic development department
16 determines that the projected costs are likely to meet the
17 requirements to be rehabilitation expenses eligible for the tax
18 credit, that department shall issue a pre-certification to the
19 taxpayer; provided that pre-certification received pursuant to
20 this subsection shall not mean that the actual costs for the
21 abandoned building rehabilitation project will be approved for
22 a credit provided by this section.

23 D. Within one calendar year of the date the
24 building is placed in service, the taxpayer shall apply for
25 certification of eligibility from the economic development

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1 department on forms and in the manner prescribed by that
2 department and including an affidavit from a certified public
3 accountant verifying that the rehabilitation expenses were
4 incurred by the taxpayer and meet the requirements of this
5 section. The aggregate amount of credits that may be certified
6 as eligible in a calendar year is twenty million dollars
7 (\$20,000,000). Completed applications shall be considered in
8 the order received. If a taxpayer is eligible for the credit,
9 a dated certificate of eligibility shall be issued to the
10 taxpayer providing the amount of credit for which the taxpayer
11 is eligible; provided that applications for certification
12 received after the limitation on the aggregate amount of
13 credits has been met in a calendar year shall not be approved.

14 E. A certificate of eligibility provided by this
15 section may be sold, exchanged or otherwise transferred to
16 another taxpayer for the full value of the credit. The parties
17 to such a transaction shall notify the department of the sale,
18 exchange or transfer within ten days of the sale, exchange or
19 transfer.

20 F. That portion of approved credit claimed by a
21 taxpayer that exceeds the taxpayer's income tax liability in
22 the taxable year in which the credit is claimed may be carried
23 forward for five consecutive taxable years.

24 G. To receive a tax credit provided by this
25 section, a taxpayer shall claim the credit on forms and in the

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1 manner prescribed by the department within twelve months
2 following the calendar year in which the certificate of
3 eligibility was issued.

4 H. The credit provided by this section shall be
5 included in the tax expenditure budget pursuant to Section
6 7-1-84 NMSA 1978, including the annual aggregate cost of the
7 credit.

8 I. As used in this section:

9 (1) "abandoned building" means a structure or
10 part of a structure in New Mexico that has been unoccupied and
11 non-operational for income-producing purposes for at least five
12 years prior to the filing of a notice of intent to
13 rehabilitate;

14 (2) "building site" means an abandoned
15 building and the parcel of land upon which it is located,
16 including any improvements directly related to the building's
17 income-producing use;

18 (3) "notice of intent to rehabilitate" means a
19 letter submitted by a taxpayer prior to incurring
20 rehabilitation expenses that provides the building's location,
21 estimated expenses and proposed use upon completion;

22 (4) "placed in service" means the
23 rehabilitation of the building site is complete and the
24 building is ready for its intended use; and

25 (5) "rehabilitation expenses" means capital

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1 expenditures incurred in the renovation or redevelopment of an
2 abandoned building, including structural repairs, environmental
3 remediation, site improvements and new construction related to
4 the project, but excluding costs related to acquisition and
5 personal property."

6 SECTION 2. DELAYED REPEAL.--Section 1 of this act is
7 repealed effective January 1, 2037.

8 SECTION 3. APPLICABILITY.--The provisions of this act
9 apply to taxable years beginning on or after January 1, 2025.