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AN ACT

RELATING TO TAXATION; CREATING THE 2021 SUSTAINABLE BUILDING TAX CREDITS PURSUANT TO THE INCOME TAX ACT AND THE CORPORATE INCOME AND FRANCHISE TAX ACT; ACCELERATING THE TERMINATION OF THE NEW SUSTAINABLE BUILDING TAX CREDITS PURSUANT TO THE INCOME TAX ACT AND THE CORPORATE INCOME AND FRANCHISE TAX ACT AND CHANGING THE NAME OF THE CREDITS TO THE "2015 SUSTAINABLE BUILDING TAX CREDIT".

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

**SECTION 1.** Section 7-2-18.29 NMSA 1978 (being Laws 2015, Chapter 130, Section 1) is amended to read:

"7-2-18.29. 2015 SUSTAINABLE BUILDING TAX CREDIT.--

A. The tax credit provided by this section may be referred to as the "2015 sustainable building tax credit". The 2015 sustainable building tax credit shall be available for the construction in New Mexico of a sustainable building, the renovation of an existing building in New Mexico into a sustainable building or the permanent installation of manufactured housing, regardless of where the housing is manufactured, that is a sustainable building; provided that the construction, renovation or installation project is completed prior to April 1, 2023. The tax credit provided in this section may not be claimed with respect to the same sustainable building for which the 2015 sustainable building

1 tax credit provided in the Corporate Income and Franchise Tax  
2 Act or the 2021 sustainable building tax credit pursuant to  
3 the Income Tax Act or the Corporate Income and Franchise Tax  
4 Act has been claimed.

5 B. The purpose of the 2015 sustainable building  
6 tax credit is to encourage the construction of sustainable  
7 buildings and the renovation of existing buildings into  
8 sustainable buildings.

9 C. A taxpayer who files an income tax return is  
10 eligible to be granted a 2015 sustainable building tax credit  
11 by the department if the taxpayer submits a document issued  
12 pursuant to Subsection K of this section with the taxpayer's  
13 income tax return.

14 D. For taxable years ending on or before  
15 December 31, 2024, the 2015 sustainable building tax credit  
16 may be claimed with respect to a sustainable commercial  
17 building. The credit shall be calculated based on the  
18 certification level the building has achieved in the LEED  
19 green building rating system and the amount of qualified  
20 occupied square footage in the building, as indicated on the  
21 following chart:

22 LEED Rating Level	23 Qualified 24 Occupied 25 Square Footage	26 Tax Credit 27 per Square 28 Foot
29 LEED-NC Silver	30 First 10,000	31 \$3.50

1		Next 40,000	\$1.75
2		Over 50,000	
3		up to 500,000	\$ .70
4	LEED-NC Gold	First 10,000	\$4.75
5		Next 40,000	\$2.00
6		Over 50,000	
7		up to 500,000	\$1.00
8	LEED-NC Platinum	First 10,000	\$6.25
9		Next 40,000	\$3.25
10		Over 50,000	
11		up to 500,000	\$2.00
12	LEED-EB or CS Silver	First 10,000	\$2.50
13		Next 40,000	\$1.25
14		Over 50,000	
15		up to 500,000	\$ .50
16	LEED-EB or CS Gold	First 10,000	\$3.35
17		Next 40,000	\$1.40
18		Over 50,000	
19		up to 500,000	\$ .70
20	LEED-EB or CS Platinum	First 10,000	\$4.40
21		Next 40,000	\$2.30
22		Over 50,000	
23		up to 500,000	\$1.40
24	LEED-CI Silver	First 10,000	\$1.40
25		Next 40,000	\$ .70

1		Over 50,000	
2		up to 500,000	\$ .30
3	LEED-CI Gold	First 10,000	\$1.90
4		Next 40,000	\$ .80
5		Over 50,000	
6		up to 500,000	\$ .40
7	LEED-CI Platinum	First 10,000	\$2.50
8		Next 40,000	\$1.30
9		Over 50,000	
10		up to 500,000	\$ .80.

11           E. For taxable years ending on or before December  
12 31, 2024, the 2015 sustainable building tax credit may be  
13 claimed with respect to a sustainable residential building.  
14 The credit shall be calculated based on the amount of  
15 qualified occupied square footage, as indicated on the  
16 following chart:

17	Rating System/Level	Qualified	Tax Credit
18		Occupied	per Square
19		Square Footage	Foot
20	LEED-H Silver or Build	Up to 2,000	\$3.00
21	Green NM Silver		
22	LEED-H Gold or Build	Up to 2,000	\$4.50
23	Green NM Gold		
24	LEED-H Platinum or Build	Up to 2,000	\$6.50
25	Green NM Emerald		

1     Manufactured Housing                    Up to 2,000                                 \$3.00.

2                    F. A person that is a building owner may apply for  
3 a certificate of eligibility for the 2015 sustainable  
4 building tax credit from the energy, minerals and natural  
5 resources department after the construction, installation or  
6 renovation of the sustainable building is complete.

7 Applications shall be considered in the order received. If  
8 the energy, minerals and natural resources department  
9 determines that the building owner meets the requirements of  
10 this subsection and that the building with respect to which  
11 the tax credit application is made meets the requirements of  
12 this section as a sustainable residential building or a  
13 sustainable commercial building, the energy, minerals and  
14 natural resources department may issue a certificate of  
15 eligibility to the building owner, subject to the limitations  
16 in Subsection G of this section. The certificate shall  
17 include the rating system certification level awarded to the  
18 building, the amount of qualified occupied square footage in  
19 the building and a calculation of the maximum amount of 2015  
20 sustainable building tax credit for which the building owner  
21 would be eligible. The energy, minerals and natural  
22 resources department may issue rules governing the procedure  
23 for administering the provisions of this subsection. If the  
24 certification level for the sustainable residential building  
25 is awarded on or after January 1, 2017 but prior to April 1,

1 2023, the energy, minerals and natural resources department  
2 may issue a certificate of eligibility to a building owner  
3 who is:

4 (1) the owner of the sustainable residential  
5 building at the time the certification level for the building  
6 is awarded; or

7 (2) the subsequent purchaser of a  
8 sustainable residential building with respect to which no tax  
9 credit has been previously claimed.

10 G. Except as provided in Subsection H of this  
11 section, the energy, minerals and natural resources  
12 department may issue a certificate of eligibility only if the  
13 total amount of 2015 sustainable building tax credits  
14 represented by certificates of eligibility issued by the  
15 energy, minerals and natural resources department pursuant to  
16 this section and pursuant to the Corporate Income and  
17 Franchise Tax Act shall not exceed in any calendar year an  
18 aggregate amount of:

19 (1) one million two hundred fifty thousand  
20 dollars (\$1,250,000) with respect to sustainable commercial  
21 buildings;

22 (2) three million three hundred seventy-five  
23 thousand dollars (\$3,375,000) with respect to sustainable  
24 residential buildings that are not manufactured housing; and

25 (3) three hundred seventy-five thousand

1 dollars (\$375,000) with respect to sustainable residential  
2 buildings that are manufactured housing.

3 H. For any taxable year that the energy, minerals  
4 and natural resources department determines that applications  
5 for sustainable building tax credits for any type of  
6 sustainable building pursuant to Paragraph (1), (2) or (3) of  
7 Subsection G of this section are less than the aggregate  
8 limit for that type of sustainable building for that taxable  
9 year, the energy, minerals and natural resources department  
10 shall allow the difference between the aggregate limit and  
11 the applications to be added to the aggregate limit of  
12 another type of sustainable building for which applications  
13 exceeded the aggregate limit for that taxable year. Any  
14 excess not used in a taxable year shall not be carried  
15 forward to subsequent taxable years.

16 I. Installation of a solar thermal system or a  
17 photovoltaic system eligible for the solar market development  
18 tax credit pursuant to Section 7-2-18.14 NMSA 1978 may not be  
19 used as a component of qualification for the rating system  
20 certification level used in determining eligibility for the  
21 2015 sustainable building tax credit, unless a solar market  
22 development tax credit pursuant to Section 7-2-18.14 NMSA  
23 1978 has not been claimed with respect to that system and the  
24 building owner and the taxpayer claiming the 2015 sustainable  
25 building tax credit certify that such a tax credit will not

1 be claimed with respect to that system.

2 J. To be eligible for the 2015 sustainable  
3 building tax credit, the building owner shall provide to the  
4 taxation and revenue department a certificate of eligibility  
5 issued by the energy, minerals and natural resources  
6 department pursuant to the requirements of Subsection F of  
7 this section and any other information the taxation and  
8 revenue department may require to determine the amount of the  
9 tax credit for which the building owner is eligible.

10 K. If the requirements of this section have been  
11 complied with, the department shall issue to the building  
12 owner a document granting a 2015 sustainable building tax  
13 credit. The document shall be numbered for identification  
14 and declare its date of issuance and the amount of the tax  
15 credit allowed pursuant to this section. The document may be  
16 submitted by the building owner with that taxpayer's income  
17 tax return, if applicable, or may be sold, exchanged or  
18 otherwise transferred to another taxpayer. The parties to  
19 such a transaction shall notify the department of the sale,  
20 exchange or transfer within ten days of the sale, exchange or  
21 transfer.

22 L. If the approved amount of a 2015 sustainable  
23 building tax credit for a taxpayer in a taxable year  
24 represented by a document issued pursuant to Subsection K of  
25 this section is:



1                   (1) less than one hundred thousand dollars  
2 (\$100,000), a maximum of twenty-five thousand dollars  
3 (\$25,000) shall be applied against the taxpayer's income tax  
4 liability for the taxable year for which the credit is  
5 approved and the next three subsequent taxable years as  
6 needed depending on the amount of credit; or

7                   (2) one hundred thousand dollars (\$100,000)  
8 or more, increments of twenty-five percent of the total  
9 credit amount in each of the four taxable years, including  
10 the taxable year for which the credit is approved and the  
11 three subsequent taxable years, shall be applied against the  
12 taxpayer's income tax liability.

13                 M. If the sum of all 2015 sustainable building tax  
14 credits that can be applied to a taxable year for a taxpayer,  
15 calculated according to Paragraph (1) or (2) of Subsection L  
16 of this section, exceeds the taxpayer's income tax liability  
17 for that taxable year, the excess may be carried forward for  
18 a period of up to seven years.

19                 N. A taxpayer who otherwise qualifies and claims a  
20 2015 sustainable building tax credit with respect to a  
21 sustainable building owned by a partnership or other business  
22 association of which the taxpayer is a member may claim a  
23 credit only in proportion to that taxpayer's interest in the  
24 partnership or association. The total credit claimed in the  
25 aggregate by all members of the partnership or association

1 with respect to the sustainable building shall not exceed the  
2 amount of the credit that could have been claimed by a sole  
3 owner of the property.

4 O. Married individuals who file separate returns  
5 for a taxable year in which they could have filed a joint  
6 return may each claim only one-half of the 2015 sustainable  
7 building tax credit that would have been allowed on a joint  
8 return.

9 P. The department shall compile an annual report  
10 on the 2015 sustainable building tax credit created pursuant  
11 to this section that shall include the number of taxpayers  
12 approved by the department to receive the tax credit, the  
13 aggregate amount of tax credits approved and any other  
14 information necessary to evaluate the effectiveness of the  
15 tax credit. Beginning in 2019 and every three years  
16 thereafter that the credit is in effect, the department shall  
17 compile and present the annual reports to the revenue  
18 stabilization and tax policy committee and the legislative  
19 finance committee with an analysis of the effectiveness and  
20 cost of the tax credit and whether the tax credit is  
21 performing the purpose for which it was created.

22 Q. For the purposes of this section:

23 (1) "build green New Mexico rating system"  
24 means the certification standards adopted by build green New  
25 Mexico in November 2014, which include water conservation

1 standards;

2 (2) "LEED-CI" means the LEED rating system  
3 for commercial interiors;

4 (3) "LEED-CS" means the LEED rating system  
5 for the core and shell of buildings;

6 (4) "LEED-EB" means the LEED rating system  
7 for existing buildings;

8 (5) "LEED gold" means the rating in  
9 compliance with, or exceeding, the second-highest rating  
10 awarded by the LEED certification process;

11 (6) "LEED" means the most current leadership  
12 in energy and environmental design green building rating  
13 system guidelines developed and adopted by the United States  
14 green building council;

15 (7) "LEED-H" means the LEED rating system  
16 for homes;

17 (8) "LEED-NC" means the LEED rating system  
18 for new buildings and major renovations;

19 (9) "LEED platinum" means the rating in  
20 compliance with, or exceeding, the highest rating awarded by  
21 the LEED certification process;

22 (10) "LEED silver" means the rating in  
23 compliance with, or exceeding, the third-highest rating  
24 awarded by the LEED certification process;

25 (11) "manufactured housing" means a

1 multisectioned home that is:

2 (a) a manufactured home or modular  
3 home;

4 (b) a single-family dwelling with a  
5 heated area of at least thirty-six feet by twenty-four feet  
6 and a total area of at least eight hundred sixty-four square  
7 feet;

8 (c) constructed in a factory to the  
9 standards of the United States department of housing and  
10 urban development, the National Manufactured Housing  
11 Construction and Safety Standards Act of 1974 and the Housing  
12 and Urban Development Zone Code 2 or New Mexico construction  
13 codes up to the date of the unit's construction; and

14 (d) installed consistent with the  
15 Manufactured Housing Act and rules adopted pursuant to that  
16 act relating to permanent foundations;

17 (12) "qualified occupied square footage"  
18 means the occupied spaces of the building as determined by:

19 (a) the United States green building  
20 council for those buildings obtaining LEED certification;

21 (b) the administrators of the build  
22 green New Mexico rating system for those homes obtaining  
23 build green New Mexico certification; and

24 (c) the United States environmental  
25 protection agency for ENERGY STAR-certified manufactured

1 homes;

2 (13) "person" does not include state, local  
3 government, public school district or tribal agencies;

4 (14) "sustainable building" means either a  
5 sustainable commercial building or a sustainable residential  
6 building;

7 (15) "sustainable commercial building" means  
8 a multifamily dwelling unit, as registered and certified  
9 under the LEED-H or build green New Mexico rating system,  
10 that is certified by the United States green building council  
11 as LEED-H silver or higher or by build green New Mexico as  
12 silver or higher and has achieved a home energy rating system  
13 index of sixty or lower as developed by the residential  
14 energy services network or a building that has been  
15 registered and certified under the LEED-NC, LEED-EB, LEED-CS  
16 or LEED-CI rating system and that:

17 (a) is certified by the United States  
18 green building council at LEED silver or higher;

19 (b) achieves any prerequisite for and  
20 at least one point related to commissioning under LEED  
21 "energy and atmosphere", if included in the applicable rating  
22 system; and

23 (c) has reduced energy consumption  
24 beginning January 1, 2012, by sixty percent based on the  
25 national average for that building type as published by the

1 United States department of energy as substantiated by the  
2 United States environmental protection agency target finder  
3 energy performance results form, dated no sooner than the  
4 schematic design phase of development;

5 (16) "sustainable residential building"

6 means:

7 (a) a building used as a single-family  
8 residence as registered and certified under the build green  
9 New Mexico or LEED-H rating system that: 1) is certified by  
10 the United States green building council as LEED-H silver or  
11 higher or by build green New Mexico as silver or higher; 2)  
12 has achieved a home energy rating system index of sixty or  
13 lower as developed by the residential energy services  
14 network; 3) has indoor plumbing fixtures and water-using  
15 appliances that, on average, have flow rates equal to or  
16 lower than the flow rates required for certification by  
17 WaterSense; 4) if landscape area is available at the front of  
18 the property, has at least one water line outside the  
19 building below the frost line that may be connected to a drip  
20 irrigation system; and 5) if landscape area is available at  
21 the rear of the property, has at least one water line outside  
22 the building below the frost line that may be connected to a  
23 drip irrigation system; or

24 (b) manufactured housing that is ENERGY  
25 STAR-qualified by the United States environmental protection

1 agency;

2 (17) "tribal" means of, belonging to or  
3 created by a federally recognized Indian nation, tribe or  
4 pueblo; and

5 (18) "WaterSense" means a program created by  
6 the federal environmental protection agency that certifies  
7 water-using products that meet the environmental protection  
8 agency's criteria for efficiency and performance."

9 SECTION 2. A new section of the Income Tax Act is  
10 enacted to read:

11 "2021 SUSTAINABLE BUILDING TAX CREDIT.--

12 A. The tax credit provided by this section may be  
13 referred to as the "2021 sustainable building tax credit".  
14 For taxable years prior to January 1, 2030, a taxpayer who is  
15 a building owner and files an income tax return is eligible  
16 to be granted a 2021 sustainable building tax credit by the  
17 department if the requirements of this section are met. The  
18 2021 sustainable building tax credit shall be available for  
19 the construction in New Mexico of a sustainable building, the  
20 renovation of an existing building in New Mexico, the  
21 permanent installation of manufactured housing, regardless of  
22 where the housing is manufactured, that is a sustainable  
23 building or the installation of energy-conserving products to  
24 existing buildings in New Mexico, as provided in this  
25 section. The tax credit provided in this section may not be

1 claimed with respect to the same sustainable building for  
2 which the 2021 sustainable building tax credit provided in  
3 the Corporate Income and Franchise Tax Act or the 2015  
4 sustainable building tax credit pursuant to the Income Tax  
5 Act or the Corporate Income and Franchise Tax Act has been  
6 claimed.

7 B. The amount of a 2021 sustainable building tax  
8 credit shall be determined as follows:

9 (1) for the construction of a new  
10 sustainable commercial building that is broadband ready and  
11 electric vehicle ready and is completed on or after April 1,  
12 2023, the amount of credit shall be calculated:

13 (a) based on the certification level  
14 the building has achieved in the rating level and the amount  
15 of qualified occupied square footage in the building, as  
16 indicated on the following chart:

17 Rating Level	18 Qualified 19 Occupied 20 Square Footage	21 Tax Credit 22 per Square 23 Foot
24 LEED-NC Platinum	25 First 10,000	\$5.25
	Next 40,000	\$2.25
	Over 50,000	
	up to 200,000	\$1.00
LEED-EB or CS Platinum	First 10,000	\$3.40
	Next 40,000	\$1.30



1		Over 50,000	
2		up to 200,000	\$0.35
3	LEED-CI Platinum	First 10,000	\$1.50
4		Next 40,000	\$0.40
5		Over 50,000	
6		up to 200,000	\$0.30
7	LEED-NC Gold	First 10,000	\$3.00
8		Next 40,000	\$1.00
9		Over 50,000	
10		up to 200,000	\$0.25
11	LEED-EB or -CS Gold	First 10,000	\$2.00
12		Next 40,000	\$1.00
13		Over 50,000	
14		up to 200,000	\$0.25
15	LEED-CI Gold	First 10,000	\$0.90
16		Next 40,000	\$0.40
17		Over 50,000	
18		up to 200,000	\$0.10; and

19 (b) with additional amounts based on  
20 the additional criteria and the amount of qualified occupied  
21 square footage, as indicated in the following chart:

22	Additional Criteria	Qualified	Tax Credit
23		Occupied	per Square
24		Square Footage	Foot
25	Fully Electric Building	First 50,000	\$1.00

1		Over 50,000	
2		up to 200,000	\$0.50
3	Zero Carbon, Energy,		
4	Waste or Water Certified	First 50,000	\$0.25
5		Over 50,000	
6		up to 200,000	\$0.10;

7 (2) for the renovation of a commercial  
8 building that was built at least ten years prior to the date  
9 of the renovation, has twenty thousand square feet or more of  
10 space in which temperature is controlled and is broadband  
11 ready and electric vehicle ready, the amount of credit shall  
12 be calculated by multiplying two dollars twenty-five cents  
13 (\$2.25) by the amount of qualified occupied square footage in  
14 the building, up to a maximum of one hundred fifty thousand  
15 dollars (\$150,000) per renovation; provided that the  
16 renovation reduces total energy and power costs by fifty  
17 percent when compared to the most current energy standard for  
18 buildings except low-rise residential buildings, as developed  
19 by the American society of heating, refrigerating and air-  
20 conditioning engineers;

21 (3) for the installation of the following  
22 energy-conserving products to an existing commercial building  
23 with less than twenty thousand square feet of space in which  
24 temperature is controlled that is broadband ready, the amount  
25 of credit shall be based on the cost of the product

1 installed, which shall include installation costs, and if the  
 2 building is affordable housing, per product installed:

3 Product	4 Amount of Credit	
	5 Affordable	6 Non-Affordable
	7 Housing	8 Housing
9 Energy Star Air		
10 Source Heat Pump	\$2,000	\$1,000
11 Energy Star Ground		
12 Source Heat Pump	\$2,000	\$1,000
13 Energy Star		
14 Windows and Doors	100% of product	50% of product
15	cost up to	cost up to
16	\$1,000	\$500
17 Insulation Improvements That		
18 Meet Rules of the		
19 Energy, Minerals and Natural		
20 Resources Department	100% of product	50% of product
21	cost up to	cost up to
22	\$2,000	\$1,000
23 Energy Star Heat Pump Water		
24 Heater	\$700	\$350
25 Electric Vehicle Ready	100% of product	50% of product
	cost up to	cost up to
	\$3,000	\$1,500;

(4) for the construction of a new

1 sustainable residential building that is broadband ready and  
2 electric vehicle ready and is completed on or after April 1,  
3 2023, the amount of credit shall be calculated:

4 (a) based on the certification level  
5 the building has achieved in the rating level and the amount  
6 of qualified occupied square footage in the building, as  
7 indicated on the following chart:

8 Rating Level	9 Qualified 10 Occupied 11 Square Footage	12 Tax Credit 13 per Square 14 Foot
11 LEED-H Platinum	Up to 2,000	\$5.50
12 LEED-H Gold	Up to 2,000	\$3.80
13 Build Green Emerald	Up to 2,000	\$5.50
14 Build Green Gold	Up to 2,000	\$3.80
15 Manufactured Housing	Up to 2,000	\$2.00; and

16 (b) with additional amounts based on  
17 the additional criteria and the amount of qualified occupied  
18 square footage, as indicated in the following chart:

19 Additional Criteria	20 Qualified 21 Occupied 22 Square Footage	23 Tax Credit 24 per Square 25 Foot
22 Fully Electric Building	Up to 2,000	\$1.00
23 Zero Carbon, Energy, 24 Waste or Water Certified	Up to 2,000	\$0.25; and

25 (5) for the installation of the following

1 energy-conserving products to an existing residential  
 2 building, the amount of credit shall be based on the cost of  
 3 the product installed, which shall include installation  
 4 costs, and if the building is affordable housing or the  
 5 taxpayer is a low-income taxpayer, per product installed:

6 Product	7 Amount of Credit	
	8 Affordable	9 Non-Affordable
	10 Housing and	11 Housing and
	12 Low-Income	13 Non-Low Income
14 Energy Star Air		
15 Source Heat Pump	16 \$2,000	17 \$1,000
18 Energy Star Ground		
19 Source Heat Pump	20 \$2,000	21 \$1,000
22 Energy Star		
23 Windows and Doors	24 100% of	25 50% of product
	product cost	cost up to
	up to \$1,000	\$500
26 Insulation Improvements That		
27 Meet Rules of the		
28 Energy, Minerals and Natural		
29 Resources Department	30 100% of product	31 50% of product
	cost up to	cost up to
	\$2,000	\$1,000
32 Energy Star Heat Pump Water		
33 Heater	34 \$700	35 \$350

1 Electric Vehicle Ready \$1,000 \$500.

2 C. A person who is a building owner may apply for  
3 a certificate of eligibility for the 2021 sustainable  
4 building tax credit from the energy, minerals and natural  
5 resources department after the construction, installation or  
6 renovation of the sustainable building or installation of  
7 energy-conserving products in an existing building is  
8 complete. Applications shall be considered in the order  
9 received. If the energy, minerals and natural resources  
10 department determines that the building owner meets the  
11 requirements of this subsection and that the building with  
12 respect to which the application is made meets the  
13 requirements of this section for a 2021 sustainable building  
14 tax credit, the energy, minerals and natural resources  
15 department may issue a certificate of eligibility to the  
16 building owner, subject to the limitations in Subsection D of  
17 this section. The certificate shall include the rating  
18 system certification level awarded to the building, the  
19 amount of qualified occupied square footage in the building,  
20 a calculation of the maximum amount of 2021 sustainable  
21 building tax credit for which the building owner would be  
22 eligible, the identification number, date of issuance and the  
23 first taxable year that the credit shall be claimed. The  
24 energy, minerals and natural resources department may issue  
25 rules governing the procedure for administering the

1 provisions of this subsection. If the certification level  
2 for the sustainable residential building is awarded on or  
3 after January 1, 2021, the energy, minerals and natural  
4 resources department may issue a certificate of eligibility  
5 to a building owner who is:

6 (1) the owner of the sustainable residential  
7 building at the time the certification level for the building  
8 is awarded; or

9 (2) the subsequent purchaser of a  
10 sustainable residential building with respect to which no tax  
11 credit has been previously claimed.

12 D. Except as provided in Subsection E of this  
13 section, the energy, minerals and natural resources  
14 department may issue a certificate of eligibility only if the  
15 total amount of 2021 sustainable building tax credits  
16 represented by certificates of eligibility issued by the  
17 energy, minerals and natural resources department pursuant to  
18 this section and pursuant to the Corporate Income and  
19 Franchise Tax Act shall not exceed in any calendar year an  
20 aggregate amount of:

21 (1) one million dollars (\$1,000,000) with  
22 respect to the construction of new sustainable commercial  
23 buildings;

24 (2) two million dollars (\$2,000,000) with  
25 respect to the construction of new sustainable residential

1 buildings that are not manufactured housing;

2 (3) two hundred fifty thousand dollars  
3 (\$250,000) with respect to the construction of new  
4 sustainable residential buildings that are manufactured  
5 housing;

6 (4) one million dollars (\$1,000,000) with  
7 respect to the renovation of large commercial buildings; and

8 (5) two million nine hundred thousand  
9 dollars (\$2,900,000) with respect to the installation of  
10 energy-conserving products in existing commercial buildings  
11 pursuant to Paragraph (3) of Subsection B of this section and  
12 existing residential buildings pursuant to Paragraph (5) of  
13 Subsection B of this section.

14 E. For any taxable year that the energy, minerals  
15 and natural resources department determines that applications  
16 for sustainable building tax credits for any type of  
17 sustainable building pursuant to Subsection D of this section  
18 are less than the aggregate limit for that type of  
19 sustainable building for that taxable year, the energy,  
20 minerals and natural resources department shall allow the  
21 difference between the aggregate limit and the applications  
22 to be added to the aggregate limit of another type of  
23 sustainable building for which applications exceeded the  
24 aggregate limit for that taxable year. Any excess not used  
25 in a taxable year shall not be carried forward to subsequent



1 taxable years.

2 F. Installation of a solar thermal system or a  
3 photovoltaic system eligible for the solar market development  
4 tax credit pursuant to Section 7-2-18.14 NMSA 1978 shall not  
5 be used as a component of qualification for the rating system  
6 certification level used in determining eligibility for the  
7 2021 sustainable building tax credit, unless a solar market  
8 development tax credit pursuant to Section 7-2-18.14 NMSA  
9 1978 has not been claimed with respect to that system and the  
10 building owner and the taxpayer claiming the 2021 sustainable  
11 building tax credit certify that such a tax credit will not  
12 be claimed with respect to that system.

13 G. To claim the 2021 sustainable building tax  
14 credit, the building owner shall provide to the taxation and  
15 revenue department a certificate of eligibility issued by the  
16 energy, minerals and natural resources department pursuant to  
17 the requirements of Subsection C of this section and any  
18 other information the taxation and revenue department may  
19 require.

20 H. If the approved amount of a 2021 sustainable  
21 building tax credit for a taxpayer in a taxable year  
22 represented by a document issued pursuant to Subsection C of  
23 this section is:

24 (1) less than one hundred thousand dollars  
25 (\$100,000), a maximum of twenty-five thousand dollars

1 (\$25,000) shall be applied against the taxpayer's income tax  
2 liability for the taxable year for which the credit is  
3 approved and the next three subsequent taxable years as  
4 needed depending on the amount of credit; or

5 (2) one hundred thousand dollars (\$100,000)  
6 or more, increments of twenty-five percent of the total  
7 credit amount in each of the four taxable years, including  
8 the taxable year for which the credit is approved and the  
9 three subsequent taxable years, shall be applied against the  
10 taxpayer's income tax liability.

11 I. If the sum of all 2021 sustainable building tax  
12 credits that can be applied to a taxable year for a taxpayer,  
13 calculated according to Paragraph (1) or (2) of Subsection H  
14 of this section, exceeds the taxpayer's income tax liability  
15 for that taxable year, the excess may be carried forward for  
16 a period of up to seven years; provided that if the taxpayer  
17 is a low-income taxpayer, the excess shall be refunded to the  
18 taxpayer.

19 J. A taxpayer who otherwise qualifies and claims a  
20 2021 sustainable building tax credit with respect to a  
21 sustainable building owned by a partnership or other business  
22 association of which the taxpayer is a member may claim a  
23 credit only in proportion to that taxpayer's interest in the  
24 partnership or association. The total credit claimed in the  
25 aggregate by all members of the partnership or association

1 with respect to the sustainable building shall not exceed the  
2 amount of the credit that could have been claimed by a sole  
3 owner of the property.

4 K. Married individuals who file separate returns  
5 for a taxable year in which they could have filed a joint  
6 return may each claim only one-half of the 2021 sustainable  
7 building tax credit that would have been allowed on a joint  
8 return.

9 L. If the requirements of this section have been  
10 complied with, the department shall issue to the building  
11 owner a document granting a 2021 sustainable building tax  
12 credit. The document shall be numbered for identification  
13 and declare its date of issuance and the amount of the tax  
14 credit allowed pursuant to this section. The document may be  
15 submitted by the building owner with that taxpayer's income  
16 tax return, if applicable, or may be sold, exchanged or  
17 otherwise transferred to another taxpayer. The parties to  
18 such a transaction shall notify the department of the sale,  
19 exchange or transfer within ten days of the sale, exchange or  
20 transfer.

21 M. The department and the energy, minerals and  
22 natural resources department shall compile an annual report  
23 on the 2021 sustainable building tax credit created pursuant  
24 to this section that shall include the number of taxpayers  
25 approved to receive the tax credit, the aggregate amount of

1 tax credits approved and any other information necessary to  
2 evaluate the effectiveness of the tax credit. The department  
3 shall present the report to the revenue stabilization and tax  
4 policy committee and the legislative finance committee with  
5 an analysis of the effectiveness and cost of the tax credit.

6 N. For the purposes of this section:

7 (1) "broadband ready" means a building with  
8 an internet connection capable of connecting to a broadband  
9 provider;

10 (2) "build green emerald" means the emerald  
11 level certification standard adopted by build green New  
12 Mexico, which includes water conservation standards and uses  
13 forty percent less energy than is required by the  
14 prescriptive path of the most current residential energy  
15 conservation code promulgated by the construction industries  
16 division of the regulation and licensing department;

17 (3) "build green gold" means the gold level  
18 certification standard adopted by build green New Mexico,  
19 which includes water conservation standards and uses thirty  
20 percent less energy than is required by the prescriptive path  
21 of the most current residential energy conservation code  
22 promulgated by the construction industries division of the  
23 regulation and licensing department;

24 (4) "electric vehicle ready" means a  
25 property that for commercial buildings provides at least ten

1 percent of parking spaces and for residential buildings at  
2 least one parking space with one forty-ampere, two-hundred-  
3 eight-volt or two-hundred-forty-volt dedicated branch circuit  
4 for servicing electric vehicles that terminates in a suitable  
5 termination point, such as a receptacle or junction box, and  
6 is located in reasonably close proximity to the proposed  
7 location of the parking spaces;

8 (5) "energy rating system index" means a  
9 numerical score given to a building where one hundred is  
10 equivalent to the 2006 international energy conservation code  
11 and zero is equivalent to a net-zero home. As used in this  
12 paragraph, "net-zero home" means an energy-efficient home  
13 where, on a source energy basis, the actual annual delivered  
14 energy is less than or equal to the on-site renewable  
15 exported energy;

16 (6) "Energy Star" means products and devices  
17 certified under the energy star program administered by  
18 United States environmental protection agency and United  
19 States department of energy that meet the specified  
20 performance requirements at the installed locations;

21 (7) "fully electric building" means a  
22 building that uses a permanent supply of electricity as the  
23 source of energy for all space heating, water heating,  
24 including pools and spas, cooking appliances and clothes  
25 drying appliances and, in the case of a new building, has no

1 natural gas or propane plumbing installed in the building or,  
2 in the case of an existing building, has no connected natural  
3 gas or propane plumbing;

4 (8) "LEED" means the most current leadership  
5 in energy and environmental design green building rating  
6 system guidelines developed and adopted by the United States  
7 green building council;

8 (9) "LEED-CI" means the LEED rating system  
9 for commercial interiors;

10 (10) "LEED-CS" means the LEED rating system  
11 for the core and shell of buildings;

12 (11) "LEED-EB" means the LEED rating system  
13 for existing buildings;

14 (12) "LEED gold" means the rating in  
15 compliance with, or exceeding, the second-highest rating  
16 awarded by the LEED certification process;

17 (13) "LEED-H" means the LEED rating system  
18 for homes;

19 (14) "LEED-NC" means the LEED rating system  
20 for new buildings and major renovations;

21 (15) "LEED platinum" means the rating in  
22 compliance with, or exceeding, the highest rating awarded by  
23 the LEED certification process;

24 (16) "low-income taxpayer" means a taxpayer  
25 with an annual household adjusted gross income equal to or

1 less than two hundred percent of the federal poverty level  
2 guidelines published by the United States department of  
3 health and human services;

4 (17) "manufactured housing" means a  
5 multisectioned home that is:

6 (a) a manufactured home or modular  
7 home;

8 (b) a single-family dwelling with a  
9 heated area of at least thirty-six feet by twenty-four feet  
10 and a total area of at least eight hundred sixty-four square  
11 feet;

12 (c) constructed in a factory to the  
13 standards of the United States department of housing and  
14 urban development, the National Manufactured Housing  
15 Construction and Safety Standards Act of 1974 and the Housing  
16 and Urban Development Zone Code 2 or New Mexico construction  
17 codes up to the date of the unit's construction; and

18 (d) installed consistent with the  
19 Manufactured Housing Act and rules adopted pursuant to that  
20 act relating to permanent foundations;

21 (18) "qualified occupied square footage"  
22 means the occupied spaces of the building as determined by:

23 (a) the United States green building  
24 council for those buildings obtaining LEED certification;

25 (b) the administrators of the build

1 green New Mexico rating system for those homes obtaining  
2 build green New Mexico certification; and

3 (c) the United States environmental  
4 protection agency for Energy Star-certified manufactured  
5 homes;

6 (19) "person" does not include state, local  
7 government, public school district or tribal agencies;

8 (20) "sustainable building" means either a  
9 sustainable commercial building or a sustainable residential  
10 building;

11 (21) "sustainable commercial building"  
12 means:

13 (a) a commercial building that is  
14 certified as any LEED platinum or gold for commercial  
15 buildings;

16 (b) a multifamily dwelling unit that is  
17 certified as LEED-H platinum or gold or build green emerald  
18 or gold and uses at least thirty percent less energy than is  
19 required by the prescriptive path of the most current  
20 applicable energy conservation code promulgated by the  
21 construction industries division of the regulation and  
22 licensing department for build green gold or LEED-H, or uses  
23 at least forty percent less energy than is required by the  
24 prescriptive path of the most current residential energy  
25 conservation code promulgated by the construction industries



1 division of the regulation and licensing department for build  
2 green emerald or LEED platinum; or

3 (c) a building that: 1) is certified  
4 at LEED-NC, LEED-EB, LEED-CS or LEED-CI platinum or gold  
5 levels; 2) achieves any prerequisite for and at least one  
6 point related to commissioning under the LEED energy and  
7 atmosphere category, if included in the applicable rating  
8 system; and 3) has reduced energy consumption beginning  
9 January 1, 2012 by forty percent based on the national  
10 average for that building type as published by the United  
11 States department of energy as substantiated by the United  
12 States environmental protection agency target finder energy  
13 performance results form, dated no sooner than the schematic  
14 design phase of development;

15 (22) "sustainable residential building"  
16 means:

17 (a) a building used as a single-family  
18 residence that: 1) is certified as LEED-H platinum or gold  
19 or build green emerald or gold; 2) uses at least thirty  
20 percent less energy than is required by the prescriptive path  
21 of the most current residential energy conservation code  
22 promulgated by the construction industries division of the  
23 regulation and licensing department for build green gold or  
24 LEED-H, or uses at least forty percent less energy than is  
25 required by the prescriptive path of the most current

1 residential energy conservation code promulgated by the  
2 construction industries division of the regulation and  
3 licensing department for build green emerald or LEED  
4 platinum; 3) has indoor plumbing fixtures and water-using  
5 appliances that, on average, have flow rates equal to or  
6 lower than the flow rates required for certification by  
7 WaterSense; 4) if landscape area is available at the front of  
8 the property, has at least one water line outside the  
9 building below the frost line that may be connected to a drip  
10 irrigation system; and 5) if landscape area is available at  
11 the rear of the property, has at least one water line outside  
12 the building below the frost line that may be connected to a  
13 drip irrigation system; or

14 (b) manufactured housing that is Energy  
15 Star-qualified;

16 (23) "tribal" means of, belonging to or  
17 created by a federally recognized Indian nation, tribe or  
18 pueblo;

19 (24) "WaterSense" means a program created by  
20 the federal environmental protection agency that certifies  
21 water-using products that meet the environmental protection  
22 agency's criteria for efficiency and performance;

23 (25) "zero carbon certified" means a  
24 building that is certified as LEED zero carbon by achieving a  
25 carbon-dioxide-equivalent balance of zero for the building;

1 (26) "zero energy certified" means a  
2 building that is certified as LEED zero energy by achieving a  
3 source energy use balance of zero for the building;

4 (27) "zero waste certified" means a building  
5 that is certified as LEED zero waste by achieving green  
6 building certification incorporated's true zero waste  
7 certification at the platinum level; and

8 (28) "zero water certified" means a building  
9 that is certified as LEED zero water by achieving a potable  
10 water use balance of zero for the building."

11 SECTION 3. Section 7-2A-28 NMSA 1978 (being Laws 2015,  
12 Chapter 130, Section 2) is amended to read:

13 "7-2A-28. 2015 SUSTAINABLE BUILDING TAX CREDIT.--

14 A. The tax credit provided by this section may be  
15 referred to as the "2015 sustainable building tax credit".  
16 The 2015 sustainable building tax credit shall be available  
17 for the construction in New Mexico of a sustainable building,  
18 the renovation of an existing building in New Mexico into a  
19 sustainable building or the permanent installation of  
20 manufactured housing, regardless of where the housing is  
21 manufactured, that is a sustainable building; provided that  
22 the construction, renovation or installation project is  
23 completed prior to April 1, 2023. The tax credit provided in  
24 this section may not be claimed with respect to the same  
25 sustainable building for which the 2015 sustainable building

1 tax credit provided in the Income Tax Act or the 2021  
2 sustainable building tax credit pursuant to the Income Tax  
3 Act or the Corporate Income and Franchise Tax Act has been  
4 claimed.

5 B. The purpose of the 2015 sustainable building  
6 tax credit is to encourage the construction of sustainable  
7 buildings and the renovation of existing buildings into  
8 sustainable buildings.

9 C. A taxpayer that files a corporate income tax  
10 return is eligible to be granted a 2015 sustainable building  
11 tax credit by the department if the taxpayer submits a  
12 document issued pursuant to Subsection K of this section with  
13 the taxpayer's corporate income tax return.

14 D. For taxable years ending on or before December  
15 31, 2024, the 2015 sustainable building tax credit may be  
16 claimed with respect to a sustainable commercial building.  
17 The credit shall be calculated based on the certification  
18 level the building has achieved in the LEED green building  
19 rating system and the amount of qualified occupied square  
20 footage in the building, as indicated on the following chart:

21 LEED Rating Level	22 Qualified 23 Occupied 24 Square Footage	25 Tax Credit per Square Foot
24 LEED-NC Silver	25 First 10,000	\$3.50
	Next 40,000	\$1.75

1		Over 50,000	
2		up to 500,000	\$ .70
3	LEED-NC Gold	First 10,000	\$4.75
4		Next 40,000	\$2.00
5		Over 50,000	
6		up to 500,000	\$1.00
7	LEED-NC Platinum	First 10,000	\$6.25
8		Next 40,000	\$3.25
9		Over 50,000	
10		up to 500,000	\$2.00
11	LEED-EB or CS Silver	First 10,000	\$2.50
12		Next 40,000	\$1.25
13		Over 50,000	
14		up to 500,000	\$ .50
15	LEED-EB or CS Gold	First 10,000	\$3.35
16		Next 40,000	\$1.40
17		Over 50,000	
18		up to 500,000	\$ .70
19	LEED-EB or CS		
20	Platinum	First 10,000	\$4.40
21		Next 40,000	\$2.30
22		Over 50,000	
23		up to 500,000	\$1.40
24	LEED-CI Silver	First 10,000	\$1.40
25		Next 40,000	\$ .70

1		Over 50,000	
2		up to 500,000	\$ .30
3	LEED-CI Gold	First 10,000	\$1.90
4		Next 40,000	\$ .80
5		Over 50,000	
6		up to 500,000	\$ .40
7	LEED-CI Platinum	First 10,000	\$2.50
8		Next 40,000	\$1.30
9		Over 50,000	
10		up to 500,000	\$ .80.

11           E. For taxable years ending on or before December  
12 31, 2024, the 2015 sustainable building tax credit may be  
13 claimed with respect to a sustainable residential building.  
14 The credit shall be calculated based on the amount of  
15 qualified occupied square footage, as indicated on the  
16 following chart:

17	Rating System/Level	Qualified	Tax Credit
18		Occupied	per Square
19		Square Footage	Foot
20	LEED-H Silver or Build	Up to 2,000	\$3.00
21	Green NM Silver		
22	LEED-H Gold or Build	Up to 2,000	\$4.50
23	Green NM Gold		
24	LEED-H Platinum or Build	Up to 2,000	\$6.50
25	Green NM Emerald		

1     Manufactured Housing                    Up to 2,000                                 \$3.00.

2                    F. A person that is a building owner may apply for  
3 a certificate of eligibility for the 2015 sustainable  
4 building tax credit from the energy, minerals and natural  
5 resources department after the construction, installation or  
6 renovation of the sustainable building is complete.

7 Applications shall be considered in the order received. If  
8 the energy, minerals and natural resources department  
9 determines that the building owner meets the requirements of  
10 this subsection and that the building with respect to which  
11 the tax credit application is made meets the requirements of  
12 this section as a sustainable residential building or a  
13 sustainable commercial building, the energy, minerals and  
14 natural resources department may issue a certificate of  
15 eligibility to the building owner, subject to the limitations  
16 in Subsection G of this section. The certificate shall  
17 include the rating system certification level awarded to the  
18 building, the amount of qualified occupied square footage in  
19 the building and a calculation of the maximum amount of 2015  
20 sustainable building tax credit for which the building owner  
21 would be eligible. The energy, minerals and natural  
22 resources department may issue rules governing the procedure  
23 for administering the provisions of this subsection. If the  
24 certification level for the sustainable residential building  
25 is awarded on or after January 1, 2017 but prior to April 1,

1 2023, the energy, minerals and natural resources department  
2 may issue a certificate of eligibility to a building owner  
3 who is:

4 (1) the owner of the sustainable residential  
5 building at the time the certification level for the building  
6 is awarded; or

7 (2) the subsequent purchaser of a  
8 sustainable residential building with respect to which no tax  
9 credit has been previously claimed.

10 G. Except as provided in Subsection H of this  
11 section, the energy, minerals and natural resources  
12 department may issue a certificate of eligibility only if the  
13 total amount of 2015 sustainable building tax credits  
14 represented by certificates of eligibility issued by the  
15 energy, minerals and natural resources department pursuant to  
16 this section and pursuant to the Income Tax Act shall not  
17 exceed in any calendar year an aggregate amount of:

18 (1) one million two hundred fifty thousand  
19 dollars (\$1,250,000) with respect to sustainable commercial  
20 buildings;

21 (2) three million three hundred seventy-five  
22 thousand dollars (\$3,375,000) with respect to sustainable  
23 residential buildings that are not manufactured housing; and

24 (3) three hundred seventy-five thousand  
25 dollars (\$375,000) with respect to sustainable residential



1 buildings that are manufactured housing.

2 H. For any taxable year that the energy, minerals  
3 and natural resources department determines that applications  
4 for sustainable building tax credits for any type of  
5 sustainable building pursuant to Paragraph (1), (2) or (3) of  
6 Subsection G of this section are less than the aggregate  
7 limit for that type of sustainable building for that taxable  
8 year, the energy, minerals and natural resources department  
9 shall allow the difference between the aggregate limit and  
10 the applications to be added to the aggregate limit of  
11 another type of sustainable building for which applications  
12 exceeded the aggregate limit for that taxable year. Any  
13 excess not used in a taxable year shall not be carried  
14 forward to subsequent taxable years.

15 I. Installation of a solar thermal system or a  
16 photovoltaic system eligible for the solar market development  
17 tax credit pursuant to Section 7-2-18.14 NMSA 1978 may not be  
18 used as a component of qualification for the rating system  
19 certification level used in determining eligibility for the  
20 2015 sustainable building tax credit, unless a solar market  
21 development tax credit pursuant to Section 7-2-18.14 NMSA  
22 1978 has not been claimed with respect to that system and the  
23 building owner and the taxpayer claiming the 2015 sustainable  
24 building tax credit certify that such a tax credit will not  
25 be claimed with respect to that system.

1           J. To be eligible for the 2015 sustainable  
2 building tax credit, the building owner shall provide to the  
3 taxation and revenue department a certificate of eligibility  
4 issued by the energy, minerals and natural resources  
5 department pursuant to the requirements of Subsection F of  
6 this section and any other information the taxation and  
7 revenue department may require to determine the amount of the  
8 tax credit for which the building owner is eligible.

9           K. If the requirements of this section have been  
10 complied with, the department shall issue to the building  
11 owner a document granting a 2015 sustainable building tax  
12 credit. The document shall be numbered for identification  
13 and declare its date of issuance and the amount of the tax  
14 credit allowed pursuant to this section. The document may be  
15 submitted by the building owner with that taxpayer's income  
16 tax return, if applicable, or may be sold, exchanged or  
17 otherwise transferred to another taxpayer. The parties to  
18 such a transaction shall notify the department of the sale,  
19 exchange or transfer within ten days of the sale, exchange or  
20 transfer.

21           L. If the approved amount of a 2015 sustainable  
22 building tax credit for a taxpayer in a taxable year  
23 represented by a document issued pursuant to Subsection K of  
24 this section is:

- 25                   (1) less than one hundred thousand dollars

1 (\$100,000), a maximum of twenty-five thousand dollars  
2 (\$25,000) shall be applied against the taxpayer's corporate  
3 income tax liability for the taxable year for which the  
4 credit is approved and the next three subsequent taxable  
5 years as needed depending on the amount of credit; or

6 (2) one hundred thousand dollars (\$100,000)  
7 or more, increments of twenty-five percent of the total  
8 credit amount in each of the four taxable years, including  
9 the taxable year for which the credit is approved and the  
10 three subsequent taxable years, shall be applied against the  
11 taxpayer's corporate income tax liability.

12 M. If the sum of all 2015 sustainable building tax  
13 credits that can be applied to a taxable year for a taxpayer,  
14 calculated according to Paragraph (1) or (2) of Subsection L  
15 of this section, exceeds the taxpayer's corporate income tax  
16 liability for that taxable year, the excess may be carried  
17 forward for a period of up to seven years.

18 N. A taxpayer that otherwise qualifies and claims  
19 a 2015 sustainable building tax credit with respect to a  
20 sustainable building owned by a partnership or other business  
21 association of which the taxpayer is a member may claim a  
22 credit only in proportion to that taxpayer's interest in the  
23 partnership or association. The total credit claimed in the  
24 aggregate by all members of the partnership or association  
25 with respect to the sustainable building shall not exceed the

1 amount of the credit that could have been claimed by a sole  
2 owner of the property.

3 O. The department shall compile an annual report  
4 on the 2015 sustainable building tax credit created pursuant  
5 to this section that shall include the number of taxpayers  
6 approved by the department to receive the tax credit, the  
7 aggregate amount of tax credits approved and any other  
8 information necessary to evaluate the effectiveness of the  
9 tax credit. Beginning in 2019 and every three years  
10 thereafter that the credit is in effect, the department shall  
11 compile and present the annual reports to the revenue  
12 stabilization and tax policy committee and the legislative  
13 finance committee with an analysis of the effectiveness and  
14 cost of the tax credit and whether the tax credit is  
15 performing the purpose for which it was created.

16 P. For the purposes of this section:

17 (1) "build green New Mexico rating system"  
18 means the certification standards adopted by build green New  
19 Mexico in November 2014, which include water conservation  
20 standards;

21 (2) "LEED-CI" means the LEED rating system  
22 for commercial interiors;

23 (3) "LEED-CS" means the LEED rating system  
24 for the core and shell of buildings;

25 (4) "LEED-EB" means the LEED rating system

1 for existing buildings;

2 (5) "LEED gold" means the rating in  
3 compliance with, or exceeding, the second-highest rating  
4 awarded by the LEED certification process;

5 (6) "LEED" means the most current leadership  
6 in energy and environmental design green building rating  
7 system guidelines developed and adopted by the United States  
8 green building council;

9 (7) "LEED-H" means the LEED rating system  
10 for homes;

11 (8) "LEED-NC" means the LEED rating system  
12 for new buildings and major renovations;

13 (9) "LEED platinum" means the rating in  
14 compliance with, or exceeding, the highest rating awarded by  
15 the LEED certification process;

16 (10) "LEED silver" means the rating in  
17 compliance with, or exceeding, the third-highest rating  
18 awarded by the LEED certification process;

19 (11) "manufactured housing" means a  
20 multisectioned home that is:

21 (a) a manufactured home or modular  
22 home;

23 (b) a single-family dwelling with a  
24 heated area of at least thirty-six feet by twenty-four feet  
25 and a total area of at least eight hundred sixty-four square

1 feet;

2 (c) constructed in a factory to the  
3 standards of the United States department of housing and  
4 urban development, the National Manufactured Housing  
5 Construction and Safety Standards Act of 1974 and the Housing  
6 and Urban Development Zone Code 2 or New Mexico construction  
7 codes up to the date of the unit's construction; and

8 (d) installed consistent with the  
9 Manufactured Housing Act and rules adopted pursuant to that  
10 act relating to permanent foundations;

11 (12) "qualified occupied square footage"  
12 means the occupied spaces of the building as determined by:

13 (a) the United States green building  
14 council for those buildings obtaining LEED certification;

15 (b) the administrators of the build  
16 green New Mexico rating system for those homes obtaining  
17 build green New Mexico certification; and

18 (c) the United States environmental  
19 protection agency for ENERGY STAR-certified manufactured  
20 homes;

21 (13) "person" does not include state, local  
22 government, public school district or tribal agencies;

23 (14) "sustainable building" means either a  
24 sustainable commercial building or a sustainable residential  
25 building;

1                   (15) "sustainable commercial building" means  
2 a multifamily dwelling unit, as registered and certified  
3 under the LEED-H or build green New Mexico rating system,  
4 that is certified by the United States green building council  
5 as LEED-H silver or higher or by build green New Mexico as  
6 silver or higher and has achieved a home energy rating system  
7 index of sixty or lower as developed by the residential  
8 energy services network or a building that has been  
9 registered and certified under the LEED-NC, LEED-EB, LEED-CS  
10 or LEED-CI rating system and that:

11                   (a) is certified by the United States  
12 green building council at LEED silver or higher;

13                   (b) achieves any prerequisite for and  
14 at least one point related to commissioning under LEED  
15 "energy and atmosphere", if included in the applicable rating  
16 system; and

17                   (c) has reduced energy consumption  
18 beginning January 1, 2012, by sixty percent based on the  
19 national average for that building type as published by the  
20 United States department of energy as substantiated by the  
21 United States environmental protection agency target finder  
22 energy performance results form, dated no sooner than the  
23 schematic design phase of development;

24                   (16) "sustainable residential building"  
25 means:

1 (a) a building used as a single-family  
2 residence as registered and certified under the build green  
3 New Mexico or LEED-H rating systems that: 1) is certified by  
4 the United States green building council as LEED-H silver or  
5 higher or by build green New Mexico as silver or higher; 2)  
6 has achieved a home energy rating system index of sixty or  
7 lower as developed by the residential energy services  
8 network; 3) has indoor plumbing fixtures and water-using  
9 appliances that, on average, have flow rates equal to or  
10 lower than the flow rates required for certification by  
11 WaterSense; 4) if landscape area is available at the front of  
12 the property, has at least one water line outside the  
13 building below the frost line that may be connected to a drip  
14 irrigation system; and 5) if landscape area is available at  
15 the rear of the property, has at least one water line outside  
16 the building below the frost line that may be connected to a  
17 drip irrigation system; or

18 (b) manufactured housing that is  
19 ENERGY STAR-qualified by the United States environmental  
20 protection agency;

21 (17) "tribal" means of, belonging to or  
22 created by a federally recognized Indian nation, tribe or  
23 pueblo; and

24 (18) "WaterSense" means a program created by  
25 the federal environmental protection agency that certifies



1 water-using products that meet the environmental protection  
2 agency's criteria for efficiency and performance."

3 SECTION 4. A new section of the Corporate Income and  
4 Franchise Tax Act is enacted to read:

5 "2021 SUSTAINABLE BUILDING TAX CREDIT.--

6 A. The tax credit provided by this section may be  
7 referred to as the "2021 sustainable building tax credit".  
8 For taxable years prior to January 1, 2030, a taxpayer that  
9 is a building owner and files a corporate income tax return  
10 is eligible to be granted a 2021 sustainable building tax  
11 credit by the department if the requirements of this section  
12 are met. The 2021 sustainable building tax credit shall be  
13 available for the construction in New Mexico of a sustainable  
14 building, the renovation of an existing building in New  
15 Mexico, the permanent installation of manufactured housing,  
16 regardless of where the housing is manufactured, that is a  
17 sustainable building or the installation of energy-conserving  
18 products to existing buildings in New Mexico, as provided in  
19 this section. The tax credit provided in this section may  
20 not be claimed with respect to the same sustainable building  
21 for which the 2021 sustainable building tax credit provided  
22 in the Income Tax Act or the 2015 sustainable building tax  
23 credit pursuant to the Income Tax Act or the Corporate Income  
24 and Franchise Tax Act has been claimed.

25 B. The amount of a 2021 sustainable building tax

1 credit shall be determined as follows:

2 (1) for the construction of a new  
3 sustainable commercial building that is broadband ready and  
4 electric vehicle ready and is completed on or after April 1,  
5 2023, the amount of credit shall be calculated:

6 (a) based on the certification level  
7 the building has achieved in the rating level and the amount  
8 of qualified occupied square footage in the building, as  
9 indicated on the following chart:

10 Rating Level	11 Qualified 12 Occupied 13 Square Footage	14 Tax Credit 15 per Square 16 Foot
17 LEED-NC Platinum	18 First 10,000	19 \$5.25
	20 Next 40,000	21 \$2.25
	22 Over 50,000	
	23 up to 200,000	24 \$1.00
25 LEED-EB or CS Platinum	26 First 10,000	27 \$3.40
	28 Next 40,000	29 \$1.30
	30 Over 50,000	
	31 up to 200,000	32 \$0.35
LEED-CI Platinum	33 First 10,000	34 \$1.50
	35 Next 40,000	36 \$0.40
	37 Over 50,000	
	38 up to 200,000	39 \$0.30
LEED-NC Gold	40 First 10,000	41 \$3.00

1		Next 40,000	\$1.00
2		Over 50,000	
3		up to 200,000	\$0.25
4	LEED-EB or -CS Gold	First 10,000	\$2.00
5		Next 40,000	\$1.00
6		Over 50,000	
7		up to 200,000	\$0.25
8	LEED-CI Gold	First 10,000	\$0.90
9		Next 40,000	\$0.40
10		Over 50,000	
11		up to 200,000	\$0.10; and

12 (b) with additional amounts based on  
 13 the additional criteria and the amount of qualified occupied  
 14 square footage, as indicated in the following chart:

15	Additional Criteria	Qualified	Tax Credit
16		Occupied	per Square
17		Square Footage	Foot
18	Fully Electric Building	First 50,000	\$1.00
19		Over 50,000	
20		up to 200,000	\$0.50
21	Zero Carbon, Energy,		
22	Waste or Water Certified	First 50,000	\$0.25
23		Over 50,000	
24		up to 200,000	\$0.10;

25 (2) for the renovation of a commercial

1 building that was built at least ten years prior to the date  
 2 of the renovation, has twenty thousand square feet or more of  
 3 space in which temperature is controlled and is broadband  
 4 ready and electric vehicle ready, the amount of credit shall  
 5 be calculated by multiplying two dollars twenty-five cents  
 6 (\$2.25) by the amount of qualified occupied square footage in  
 7 the building, up to a maximum of one hundred fifty thousand  
 8 dollars (\$150,000) per renovation; provided that the  
 9 renovation reduces total energy and power costs by fifty  
 10 percent when compared to the most current energy standard for  
 11 buildings except low-rise residential buildings, as developed  
 12 by the American society of heating, refrigerating and air-  
 13 conditioning engineers;

14 (3) for the installation of the following  
 15 energy-conserving products to an existing commercial building  
 16 with less than twenty thousand square feet of space in which  
 17 temperature is controlled that is broadband ready, the amount  
 18 of credit shall be based on the cost of the product  
 19 installed, which shall include installation costs, and if the  
 20 building is affordable housing, per product installed:

21 Product	Amount of Credit	
	22 Affordable	23 Non-Affordable
	Housing	Housing
24 Energy Star Air		
25 Source Heat Pump	\$2,000	\$1,000

1	Energy Star Ground		
2	Source Heat Pump	\$2,000	\$1,000
3	Energy Star		
4	Windows and Doors	100% of product	50% of product
5		cost up to	cost up to
6		\$1,000	\$500
7	Insulation Improvements That		
8	Meet Rules of the		
9	Energy, Minerals and Natural		
10	Resources Department	100% of product	50% of product
11		cost up to	cost up to
12		\$2,000	\$1,000
13	Energy Star Heat Pump Water		
14	Heater	\$700	\$350
15	Electric Vehicle Ready	100% of product	50% of product
16		cost up to	cost up to
17		\$3,000	\$1,500;

18 (4) for the construction of a new  
19 sustainable residential building that is broadband ready and  
20 electric vehicle ready and is completed on or after April 1,  
21 2023, the amount of credit shall be calculated:

22 (a) based on the certification level  
23 the building has achieved in the rating level and the amount  
24 of qualified occupied square footage in the building, as  
25 indicated on the following chart:

1	Rating Level	Qualified	Tax Credit
2		Occupied	per Square
3		Square Footage	Foot
4	LEED-H Platinum	Up to 2,000	\$5.50
5	LEED-H Gold	Up to 2,000	\$3.80
6	Build Green Emerald	Up to 2,000	\$5.50
7	Build Green Gold	Up to 2,000	\$3.80
8	Manufactured Housing	Up to 2,000	\$2.00; and

9 (b) with additional amounts based on  
10 the additional criteria and the amount of qualified occupied  
11 square footage, as indicated in the following chart:

12	Additional Criteria	Qualified	Tax Credit
13		Occupied	per Square
14		Square Footage	Foot
15	Fully Electric Building	Up to 2,000	\$1.00
16	Zero Carbon, Energy,		
17	Waste or Water Certified	Up to 2,000	\$0.25; and

18 (5) for the installation of the following  
19 energy-conserving products to an existing residential  
20 building, the amount of credit shall be based on the cost of  
21 the product installed, which shall include installation  
22 costs, and if the building is affordable housing or the  
23 taxpayer is a low-income taxpayer, per product installed:

24	Product	Amount of Credit	
25		Affordable	Non-Affordable

	Housing and Low-Income	Housing and Non-Low Income
1		
2		
3	Energy Star Air	
4	Source Heat Pump	\$2,000
5	Energy Star Ground	
6	Source Heat Pump	\$2,000
7	Energy Star	
8	Windows and Doors	100% of product
9		50% of product
10		cost up to
11		\$1,000
12	Insulation Improvements That	
13	Meet Rules of the	
14	Energy, Minerals and Natural	
15	Resources Department	100% of product
16		50% of product
17		cost up to
18		\$2,000
19	Energy Star Heat Pump Water	
20	Heater	\$700
21	Electric Vehicle Ready	\$1,000
22		\$500.

20 C. A person that is a building owner may apply for  
21 a certificate of eligibility for the 2021 sustainable  
22 building tax credit from the energy, minerals and natural  
23 resources department after the construction, installation or  
24 renovation of the sustainable building or installation of  
25 energy-conserving products in an existing building is

1 complete. Applications shall be considered in the order  
2 received. If the energy, minerals and natural resources  
3 department determines that the building owner meets the  
4 requirements of this subsection and that the building with  
5 respect to which the application is made meets the  
6 requirements of this section for a 2021 sustainable building  
7 tax credit, the energy, minerals and natural resources  
8 department may issue a certificate of eligibility to the  
9 building owner, subject to the limitations in Subsection D of  
10 this section. The certificate shall include the rating  
11 system certification level awarded to the building, the  
12 amount of qualified occupied square footage in the building,  
13 a calculation of the maximum amount of 2021 sustainable  
14 building tax credit for which the building owner would be  
15 eligible, the identification number, date of issuance and the  
16 first taxable year that the credit shall be claimed. The  
17 energy, minerals and natural resources department may issue  
18 rules governing the procedure for administering the  
19 provisions of this subsection. If the certification level  
20 for the sustainable residential building is awarded on or  
21 after January 1, 2021, the energy, minerals and natural  
22 resources department may issue a certificate of eligibility  
23 to a building owner who is:

24 (1) the owner of the sustainable residential  
25 building at the time the certification level for the building



1 is awarded; or

2 (2) the subsequent purchaser of a  
3 sustainable residential building with respect to which no tax  
4 credit has been previously claimed.

5 D. Except as provided in Subsection E of this  
6 section, the energy, minerals and natural resources  
7 department may issue a certificate of eligibility only if the  
8 total amount of 2021 sustainable building tax credits  
9 represented by certificates of eligibility issued by the  
10 energy, minerals and natural resources department pursuant to  
11 this section and pursuant to the Income Tax Act shall not  
12 exceed in any calendar year an aggregate amount of:

13 (1) one million dollars (\$1,000,000) with  
14 respect to the construction of new sustainable commercial  
15 buildings;

16 (2) two million dollars (\$2,000,000) with  
17 respect to the construction of new sustainable residential  
18 buildings that are not manufactured housing;

19 (3) two hundred fifty thousand dollars  
20 (\$250,000) with respect to the construction of new  
21 sustainable residential buildings that are manufactured  
22 housing;

23 (4) one million dollars (\$1,000,000) with  
24 respect to the renovation of large commercial buildings; and

25 (5) two million nine hundred thousand

1 dollars (\$2,900,000) with respect to the installation of  
2 energy-conserving products in existing commercial buildings  
3 pursuant to Paragraph (3) of Subsection B of this section and  
4 existing residential buildings pursuant to Paragraph (5) of  
5 Subsection B of this section.

6 E. For any taxable year that the energy, minerals  
7 and natural resources department determines that applications  
8 for sustainable building tax credits for any type of  
9 sustainable building pursuant to Subsection D of this section  
10 are less than the aggregate limit for that type of  
11 sustainable building for that taxable year, the energy,  
12 minerals and natural resources department shall allow the  
13 difference between the aggregate limit and the applications  
14 to be added to the aggregate limit of another type of  
15 sustainable building for which applications exceeded the  
16 aggregate limit for that taxable year. Any excess not used  
17 in a taxable year shall not be carried forward to subsequent  
18 taxable years.

19 F. Installation of a solar thermal system or a  
20 photovoltaic system eligible for the solar market development  
21 tax credit pursuant to Section 7-2-18.14 NMSA 1978 shall not  
22 be used as a component of qualification for the rating system  
23 certification level used in determining eligibility for the  
24 2021 sustainable building tax credit, unless a solar market  
25 development tax credit pursuant to Section 7-2-18.14 NMSA

1 1978 has not been claimed with respect to that system and the  
2 building owner and the taxpayer claiming the 2021 sustainable  
3 building tax credit certify that such a tax credit will not  
4 be claimed with respect to that system.

5 G. To claim the 2021 sustainable building tax  
6 credit, the building owner shall provide to the taxation and  
7 revenue department a certificate of eligibility issued by the  
8 energy, minerals and natural resources department pursuant to  
9 the requirements of Subsection C of this section and any  
10 other information the taxation and revenue department may  
11 require.

12 H. If the approved amount of a 2021 sustainable  
13 building tax credit for a taxpayer in a taxable year  
14 represented by a document issued pursuant to Subsection C of  
15 this section is:

16 (1) less than one hundred thousand dollars  
17 (\$100,000), a maximum of twenty-five thousand dollars  
18 (\$25,000) shall be applied against the taxpayer's corporate  
19 income tax liability for the taxable year for which the  
20 credit is approved and the next three subsequent taxable  
21 years as needed depending on the amount of credit; or

22 (2) one hundred thousand dollars (\$100,000)  
23 or more, increments of twenty-five percent of the total  
24 credit amount in each of the four taxable years, including  
25 the taxable year for which the credit is approved and the

1 three subsequent taxable years, shall be applied against the  
2 taxpayer's corporate income tax liability.

3 I. If the sum of all 2021 sustainable building tax  
4 credits that can be applied to a taxable year for a taxpayer,  
5 calculated according to Paragraph (1) or (2) of Subsection H  
6 of this section, exceeds the taxpayer's corporate income tax  
7 liability for that taxable year, the excess may be carried  
8 forward for a period of up to seven years.

9 J. A taxpayer that otherwise qualifies and claims  
10 a 2021 sustainable building tax credit with respect to a  
11 sustainable building owned by a partnership or other business  
12 association of which the taxpayer is a member may claim a  
13 credit only in proportion to that taxpayer's interest in the  
14 partnership or association. The total credit claimed in the  
15 aggregate by all members of the partnership or association  
16 with respect to the sustainable building shall not exceed the  
17 amount of the credit that could have been claimed by a sole  
18 owner of the property.

19 K. If the requirements of this section have been  
20 complied with, the department shall issue to the building  
21 owner a document granting a 2021 sustainable building tax  
22 credit. The document shall be numbered for identification  
23 and declare its date of issuance and the amount of the tax  
24 credit allowed pursuant to this section. The document may be  
25 submitted by the building owner with that taxpayer's income

1 tax return, if applicable, or may be sold, exchanged or  
2 otherwise transferred to another taxpayer. The parties to  
3 such a transaction shall notify the department of the sale,  
4 exchange or transfer within ten days of the sale, exchange or  
5 transfer.

6 L. The department and the energy, minerals and  
7 natural resources department shall compile an annual report  
8 on the 2021 sustainable building tax credit created pursuant  
9 to this section that shall include the number of taxpayers  
10 approved to receive the tax credit, the aggregate amount of  
11 tax credits approved and any other information necessary to  
12 evaluate the effectiveness of the tax credit. The department  
13 shall present the report to the revenue stabilization and tax  
14 policy committee and the legislative finance committee with  
15 an analysis of the effectiveness and cost of the tax credit.

16 M. For the purposes of this section:

17 (1) "broadband ready" means a building with  
18 an internet connection capable of connecting to a broadband  
19 provider;

20 (2) "build green emerald" means the emerald  
21 level certification standard adopted by build green New  
22 Mexico, which includes water conservation standards and uses  
23 forty percent less energy than is required by the  
24 prescriptive path of the most current residential energy  
25 conservation code promulgated by the construction industries

1 division of the regulation and licensing department;

2 (3) "build green gold" means the gold level  
3 certification standard adopted by build green New Mexico,  
4 which includes water conservation standards and uses thirty  
5 percent less energy than is required by the prescriptive path  
6 of the most current residential energy conservation code  
7 promulgated by the construction industries division of the  
8 regulation and licensing department;

9 (4) "electric vehicle ready" means a  
10 property that provides for commercial buildings at least ten  
11 percent of parking spaces and for residential buildings at  
12 least one parking space with one forty-ampere,  
13 two-hundred-eight-volt or two-hundred-forty-volt dedicated  
14 branch circuit for servicing electric vehicles that  
15 terminates in a suitable termination point, such as a  
16 receptacle or junction box, and is located in reasonably  
17 close proximity to the proposed location of the parking  
18 spaces;

19 (5) "energy rating system index" means a  
20 numerical score given to a building where one hundred is  
21 equivalent to the 2006 international energy conservation code  
22 and zero is equivalent to a net-zero home. As used in this  
23 paragraph, "net-zero home" means an energy-efficient home  
24 where, on a source energy basis, the actual annual delivered  
25 energy is less than or equal to the on-site renewable

1 exported energy;

2 (6) "Energy Star" means products and devices  
3 certified under the energy star program administered by  
4 United States environmental protection agency and United  
5 States department of energy that meet the specified  
6 performance requirements at the installed locations;

7 (7) "fully electric building" means a  
8 building that uses a permanent supply of electricity as the  
9 source of energy for all space heating, water heating,  
10 including pools and spas, cooking appliances and clothes  
11 drying appliances and, in the case of a new building, has no  
12 natural gas or propane plumbing installed in the building or,  
13 in the case of an existing building, has no connected natural  
14 gas or propane plumbing;

15 (8) "LEED" means the most current leadership  
16 in energy and environmental design green building rating  
17 system guidelines developed and adopted by the United States  
18 green building council;

19 (9) "LEED-CI" means the LEED rating system  
20 for commercial interiors;

21 (10) "LEED-CS" means the LEED rating system  
22 for the core and shell of buildings;

23 (11) "LEED-EB" means the LEED rating system  
24 for existing buildings;

25 (12) "LEED gold" means the rating in

1 compliance with, or exceeding, the second-highest rating  
2 awarded by the LEED certification process;

3 (13) "LEED-H" means the LEED rating system  
4 for homes;

5 (14) "LEED-NC" means the LEED rating system  
6 for new buildings and major renovations;

7 (15) "LEED platinum" means the rating in  
8 compliance with, or exceeding, the highest rating awarded by  
9 the LEED certification process;

10 (16) "low-income taxpayer" means a taxpayer  
11 with an annual household adjusted gross income equal to or  
12 less than two hundred percent of the federal poverty level  
13 guidelines published by the United States department of  
14 health and human services;

15 (17) "manufactured housing" means a  
16 multisectioned home that is:

17 (a) a manufactured home or modular  
18 home;

19 (b) a single-family dwelling with a  
20 heated area of at least thirty-six feet by twenty-four feet  
21 and a total area of at least eight hundred sixty-four square  
22 feet;

23 (c) constructed in a factory to the  
24 standards of the United States department of housing and  
25 urban development, the National Manufactured Housing



1 Construction and Safety Standards Act of 1974 and the Housing  
2 and Urban Development Zone Code 2 or New Mexico construction  
3 codes up to the date of the unit's construction; and

4 (d) installed consistent with the  
5 Manufactured Housing Act and rules adopted pursuant to that  
6 act relating to permanent foundations;

7 (18) "qualified occupied square footage"  
8 means the occupied spaces of the building as determined by:

9 (a) the United States green building  
10 council for those buildings obtaining LEED certification;

11 (b) the administrators of the build  
12 green New Mexico rating system for those homes obtaining  
13 build green New Mexico certification; and

14 (c) the United States environmental  
15 protection agency for Energy Star-certified manufactured  
16 homes;

17 (19) "person" does not include state, local  
18 government, public school district or tribal agencies;

19 (20) "sustainable building" means either a  
20 sustainable commercial building or a sustainable residential  
21 building;

22 (21) "sustainable commercial building"  
23 means:

24 (a) a commercial building that is  
25 certified as any LEED platinum or gold for commercial

1 buildings;

2 (b) a multifamily dwelling unit that is  
3 certified as LEED-H platinum or gold or build green emerald  
4 or gold and uses at least thirty percent less energy than is  
5 required by the prescriptive path of the most current  
6 applicable energy conservation code promulgated by the  
7 construction industries division of the regulation and  
8 licensing department for build green gold or LEED-H, or uses  
9 at least forty percent less energy than is required by the  
10 prescriptive path of the most current residential energy  
11 conservation code promulgated by the construction industries  
12 division of the regulation and licensing department for build  
13 green emerald or LEED platinum; or

14 (c) a building that: 1) is certified  
15 at LEED-NC, LEED-EB, LEED-CS or LEED-CI platinum or gold  
16 levels; 2) achieves any prerequisite for and at least one  
17 point related to commissioning under the LEED energy and  
18 atmosphere category, if included in the applicable rating  
19 system; and 3) has reduced energy consumption beginning  
20 January 1, 2012 by forty percent based on the national  
21 average for that building type as published by the United  
22 States department of energy as substantiated by the United  
23 States environmental protection agency target finder energy  
24 performance results form, dated no sooner than the schematic  
25 design phase of development;

1 (22) "sustainable residential building"

2 means:

3 (a) a building used as a single-family  
4 residence that: 1) is certified as LEED-H platinum or gold  
5 or build green emerald or gold; 2) uses at least thirty  
6 percent less energy than is required by the prescriptive path  
7 of the most current residential energy conservation code  
8 promulgated by the construction industries division of the  
9 regulation and licensing department for build green gold or  
10 LEED-H, or uses at least forty percent less energy than is  
11 required by the prescriptive path of the most current  
12 residential energy conservation code promulgated by the  
13 construction industries division of the regulation and  
14 licensing department for build green emerald or LEED  
15 platinum; 3) has indoor plumbing fixtures and water-using  
16 appliances that, on average, have flow rates equal to or  
17 lower than the flow rates required for certification by  
18 WaterSense; 4) if landscape area is available at the front of  
19 the property, has at least one water line outside the  
20 building below the frost line that may be connected to a drip  
21 irrigation system; and 5) if landscape area is available at  
22 the rear of the property, has at least one water line outside  
23 the building below the frost line that may be connected to a  
24 drip irrigation system; or

25 (b) manufactured housing that is Energy HTRC/HB 15/a  
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1 Star-qualified;

2 (23) "tribal" means of, belonging to or  
3 created by a federally recognized Indian nation, tribe or  
4 pueblo;

5 (24) "WaterSense" means a program created by  
6 the federal environmental protection agency that certifies  
7 water-using products that meet the environmental protection  
8 agency's criteria for efficiency and performance;

9 (25) "zero carbon certified" means a  
10 building that is certified as LEED zero carbon by achieving a  
11 carbon-dioxide-equivalent balance of zero for the building;

12 (26) "zero energy certified" means a  
13 building that is certified as LEED zero energy by achieving a  
14 source energy use balance of zero for the building;

15 (27) "zero waste certified" means a building  
16 that is certified as LEED zero waste by achieving green  
17 building certification incorporated's true zero waste  
18 certification at the platinum level; and

19 (28) "zero water certified" means a building  
20 that is certified as LEED zero water by achieving a potable  
21 water use balance of zero for the building."

22 SECTION 5. APPLICABILITY.--The provisions of Sections 2  
23 and 4 of this act apply to taxable years beginning on or after  
24 January 1, 2021.