

1 SENATE BILL 212

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Michael Padilla and William P. Soules and Meredith A. Dixon
5 and Joshua N. Hernandez and Joy Garratt
6
7
8
9

10 AN ACT

11 RELATING TO TAXATION; CREATING THE QUANTUM TESTING AND
12 EVALUATION GROSS RECEIPTS TAX CREDIT.
13

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

15 SECTION 1. A new section of the Gross Receipts and
16 Compensating Tax Act is enacted to read:

17 "[NEW MATERIAL] QUANTUM TESTING AND EVALUATION GROSS
18 RECEIPTS TAX CREDIT.--

19 A. Prior to July 1, 2035, a taxpayer that is a
20 national laboratory that, pursuant to a memorandum of agreement
21 with a federal quantum agency, receives federal funds to
22 provide quantum testing and evaluation services may claim a tax
23 credit against the taxpayer's gross receipts tax liability
24 imposed pursuant to the Gross Receipts and Compensating Tax
25 Act, excluding any local option gross receipts tax liability.

.228859.3GLG

underscored material = new
[bracketed material] = delete

underscored material = new
~~[bracketed material] = delete~~

1 The tax credit provided by this section may be referred to as
2 the "quantum testing and evaluation gross receipts tax credit".

3 B. The purpose of the credit is to provide a match
4 for federal funds related to quantum testing and evaluation
5 services, to encourage recruitment of quantum businesses in New
6 Mexico and to increase economic development in New Mexico.

7 C. The amount of a credit shall equal the amount
8 that the taxpayer receives in federal matching funds for
9 quantum testing and evaluation or the fabrication of quantum
10 devices; provided that the total annual aggregate amount of
11 credits that may be claimed in a calendar year shall not exceed
12 fifteen million dollars (\$15,000,000).

13 D. A taxpayer shall apply for certification of
14 eligibility for the tax credit from the economic development
15 department on forms and in the manner prescribed by that
16 department. The total aggregate amount of tax credits that may
17 be certified shall not exceed sixty million dollars
18 (\$60,000,000). If the economic development department
19 determines that the taxpayer meets the requirements of this
20 section, that department shall issue a dated certificate of
21 eligibility to the taxpayer providing the amount of tax credit
22 for which the taxpayer is eligible and the taxable periods in
23 which the credit may be claimed. The economic development
24 department shall provide the department with the certificates
25 of eligibility issued pursuant to this subsection in an

.228859.3GLG

underscored material = new
~~[bracketed material]~~ = delete

1 electronic format at regularly agreed upon intervals.

2 E. A taxpayer allowed to claim a credit pursuant to
3 this section shall claim the tax credit on forms and in a
4 manner required by the department. The credit shall be claimed
5 within one year of the end of the year in which the taxpayer
6 receives federal matching funds for quantum testing and
7 evaluation or the fabrication of quantum devices.

8 F. A taxpayer may claim the credit for the taxable
9 period in which the memorandum of agreement is in effect. That
10 portion of credit that exceeds a taxpayer's tax liability in
11 the taxable period in which the credit is claimed may be
12 carried forward for sixty consecutive taxable periods.

13 G. If more than one national laboratory incurs
14 qualified expenditures in a taxable period, the national
15 laboratories shall not claim the credit until coordination is
16 developed between the national laboratories that generates a
17 joint operational plan to ensure that the combined claims for a
18 credit will not exceed the limitations provided in Subsection C
19 of this section.

20 H. A national laboratory that claims the credit
21 shall submit an annual report in writing to the department, the
22 economic development department and an appropriate legislative
23 interim committee. If more than one national laboratory claims
24 the credit, those laboratories shall jointly submit an annual
25 report.

.228859.3GLG

underscoring material = new
[bracketed material] = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I. As used in this section:

(1) "federal quantum agency" means the federal agency responsible for administering the federal government's quantum benchmarking initiative;

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

(3) "quantum testing and evaluation" means the federal quantum agency's quantum benchmarking initiative that aims to determine if it is possible to build an industrially useful quantum computer much faster than conventional predictions and is designed to verify and validate whether a quantum computing approach can achieve utility-scale operation, meaning its computational value exceeds its cost, by the year 2033."

SECTION 2. DELAYED REPEAL.--Section 1 of this act is repealed effective July 1, 2035.

SECTION 3. APPLICABILITY.--The provisions of this act apply to taxable periods beginning on or after July 1, 2025.