



EMERGING Technology

Since the 1930's, New Mexico has been a world leader in scientific research and energy development. Our national laboratories and federal and academic research facilities have conducted experiments in a wide array of disciplines from nuclear weapons and defense systems, to aerospace, bioscience and nanotechnology.

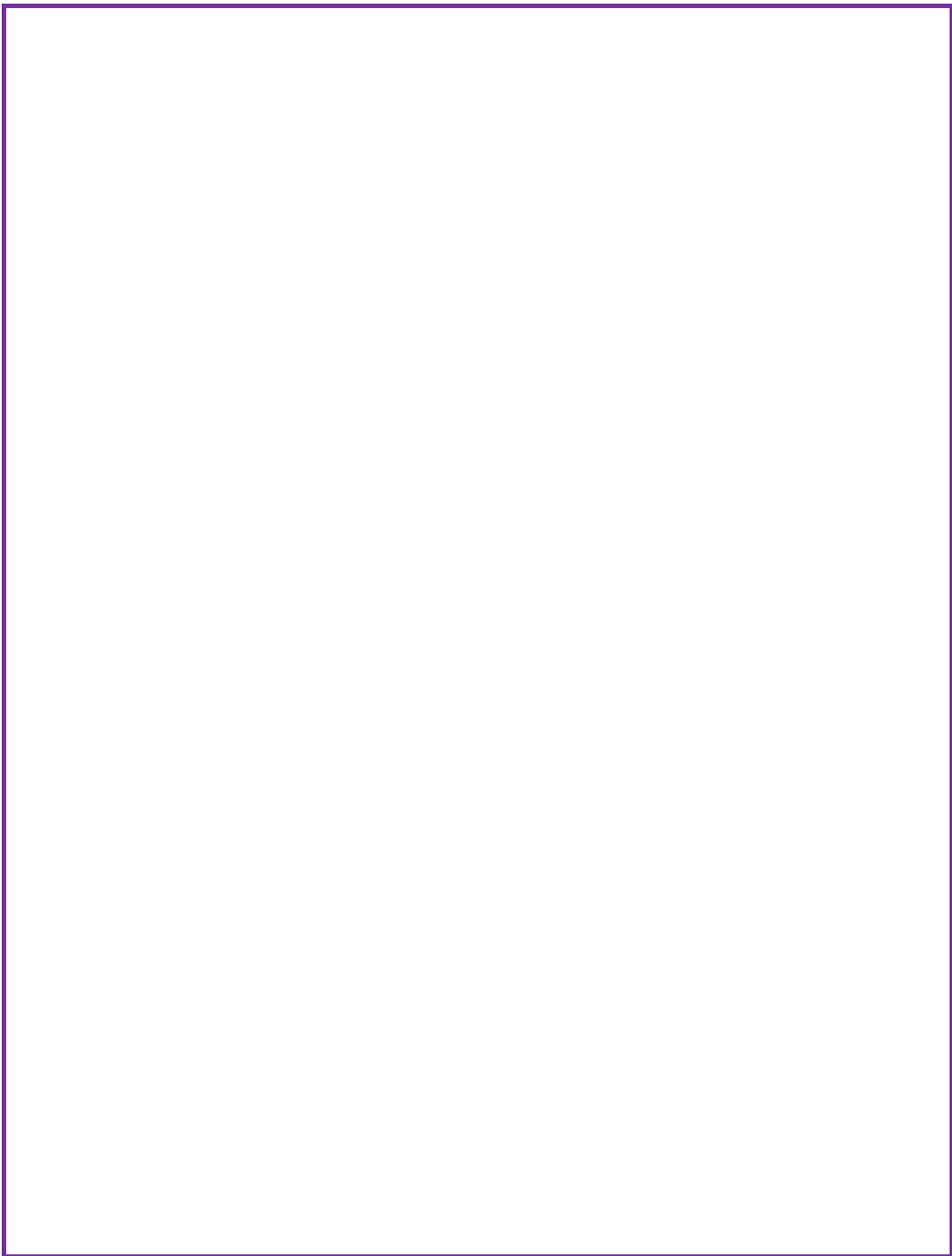
New Mexico's scientific infrastructure is the result of a strong federal presence, a collection of research institutions, and the highest level of non-industry research and development investment in the nation. Many of these federal and state-funded laboratories and educational research facilities offer opportunities for private sector companies to partner through collaborative research and development agreements, lease one-of-a-kind research facilities, and access licensable technologies.

Being home to such a diverse convergence of laboratories, research entities, and private developers makes New Mexico an attractive place for technology-intensive businesses to locate. Among the state's highly regarded facilities are:

- [Spaceport America](#) – New Mexico is home to the world's first purpose-built commercial spaceport. Located in Sierra County, Spaceport America hosts a variety of space activity, including commercial space flights, payload launches and research.
- [White Sands Missile Range](#) – White Sands Missile Range in Southern New Mexico provides Army, Navy, Air Force, Department of Defense, and private industry customers with high quality services for experimentation, test, research, assessment, development, and training.
- [Sandia National Laboratories](#) – Sandia National Laboratories in Albuquerque is a leading government R&D laboratory, focusing on nuclear weapons technology and security, energy, climate and infrastructure security, defense systems, and homeland security.
- [Los Alamos National Laboratory](#) – Los Alamos National Laboratory, in Northern New Mexico, is a premier national security research institution focused on delivering scientific and engineering solutions for the most crucial and complex problems including the advancement of bioscience, chemistry, computer science, earth and environmental sciences, materials science, and physics

Research in renewable energy is thriving in New Mexico. In 2004, New Mexico received \$40.4 million from the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy for a variety of state and federal programs relating to renewable energy development. Both Los Alamos and Sandia National Laboratories are leaders in the quest for new, affordable energy sources. Research is also burgeoning at University of New Mexico, New Mexico Tech, and New Mexico State University. White Sands Missile Range is a leader in the Army's efforts to become net zero energy users.

Aerospace has been a part of New Mexico's economy since the 1940s, when the Holloman and Kirtland bases were established as flight training centers for WWII pilots. Since then, New Mexico has had a long history of testing, maintaining and managing air and space systems, and is home to two Air Force research labs. The state offers a unique combination of assets for the aerospace and defense industry: restricted air space, the only FAA approved UAS test center, perfect climate, over 20 federal, state, and privately funded laboratories that offer a large diversity of aerospace and related technologies, and Spaceport America, the world's first purpose-built commercial spaceport.



Emerging Technology Tax Incentives

Technology Jobs Tax Credit

This credit has two parts: a basic credit and an additional credit, each equal to 4% of the qualified expenditures on qualified research at a qualified facility. The credit amount doubles for expenditures in facilities located in rural New Mexico including within Sierra County.

Eligible Uses:

- **Expenditures:** Includes a wide range of non-reimbursed expenses such as payroll, consultants and contractors performing work in New Mexico, software, equipment, technical manuals, rent, and operating expenses of facilities.
- **Research:** Must be technological in nature and constitute elements of a process of experimentation leading to new or improved function, performance or reliability (not cosmetic, style).
- **Facility:** A building or group, with land and machinery, equipment and other real or personal property used in connection with the operation of the facility; excludes national labs.

Rates & Terms:

Basic credit: The taxpayer claims the credit within one year following the end of the year in which the expenditure was made. The credit amount is applied against the taxpayer's state gross receipts, compensating and withholding liabilities until the credit is exhausted.

Additional credit: A taxpayer earns the additional credit by increasing its payroll. The annual payroll must increase by at least \$75,000 over the base period and by at least \$75,000 for each \$1 million in qualified expenditures (equivalent to \$40,000 in credit) it wishes to claim. The base period floats; it is defined as the 12-month period ending on the day one year prior to the day the taxpayer applies for the additional credit. The credit is not refundable, but excess credit amounts may be carried forward.

R&D Small Business Tax Credit

A qualified R&D small business is eligible for a credit equal to the sum of all gross receipts taxes, compensating taxes or withholding taxes due to the state for up to three years.

Definition: Qualified research is defined as that undertaken for the purpose of discovering information that is technological in nature and the application of which is intended to be useful in the development of a new or improved business component and in which substantially all activities constitute elements of a process of experimentation related to new or improved function, performance, reliability or quality, but not related to style, taste, cosmetic or seasonal design factors.

Qualified R&D small business means a business that:

- Employs no more than 25 employees in any prior calendar month
- Had total revenue of no more than \$5 million dollars in any prior fiscal year.
- Did not in any prior calendar month have more than 50% of its voting securities or other equity interest with the right to designate or elect the board of directors or other governing body of the qualified business owned directly or indirectly by another business
- Has made qualified research expenditures for the period of 12 calendar months ending with the month for which the credit is sought of at least 20% of its total expenditures for those 12 months.

Angel Investment Credit

A taxpayer who files a New Mexico income tax return and who is a "qualified investor" may take a tax credit of up to \$25,000 (25% of a qualified investment of not more than \$100,000) for an investment made in a New Mexico company that is engaging in high-technology research or manufacturing. The taxpayer may claim the angel investment credit for up to two qualified investments in a taxable year, provided that each investment is in a different qualified business. Any portion of the tax credit remaining unused at the end of the taxpayer's taxable year may be carried forward for three consecutive years.