



INVEST IN NEW MEXICO

WHY NEW MEXICO

Now is a great time to invest in New Mexico. Recent changes to the state's tax structure have improved our operating environment. Our talented workforce and aggressive financial incentives make New Mexico an attractive location for investments to succeed long-term.

CLIMATE

New Mexico's weather is as varied as its landscape. Its elevation provides for the four seasons throughout the state. Desert snows rarely include ice storms which minimally impact everyday business activities. Natural disasters are almost nonexistent.

LIFESTYLE

Few places in the U.S. offer the rich history and cultural diversity found in New Mexico. People are drawn to the many historical sites, museums, and celebrations every year. New Mexico is home to 22 Native American tribes, with a history that is celebrated in museums, ceremonial dances, arts and crafts, language, and traditional villages.

From the stark and arid beauty of southern New Mexico's deserts, to some of the country's finest ski slopes (there are over 20 mountain ranges), this land of breathtaking contrasts offers a myriad of outdoor activities year-round. The state operates 35 parks, and is home to three national parks and ten national monuments. This variety is only one part of what makes New Mexico unique.



NEW MEXICO RANKS

- Lowest effective tax rate for Manufacturing in Western United States (Ernst & Young)
- 1st for Export Growth to Mexico in 2014 (International Trade Administration)
- Ranked 3rd Among Most Multi-Lingual States (2015 U.S. Census Stats)
- 5th for Cheese Production (2014 Dairy Producers of New Mexico)
- 3rd in Crude Oil Production (2017 U.S. Energy Information Administration)

CORE INDUSTRY SECTORS

- Advanced Manufacturing
- Aerospace & Defense
- Back Office & Technical Support
- Digital Media & IT
- Energy & Natural Resources
- Value-Added Agriculture
- Emerging Technology
- Logistics, Transportation & Distribution



REPRESENTATIVE FOREIGN COMPANIES PRESENT IN NEW MEXICO

Certoplast (Germany)

Southwest Cheese (Ireland)

Canon (Japan)

International Dairy Concepts (New Zealand)

UNIRAC (Germany)

S&P Data (Canada)

ARCA Space Corporation (Romania)

Clariant (Switzerland)

CNWire (Turkey)

BUSINESS CLIMATE

LOW ENERGY COSTS: According to the U.S. Energy Information Administration, New Mexico's average electric rates are 7% below the national and regional average. New Mexico is also one of the nation's leading energy producers with a strong array of energy resources ranging from oil, natural gas, and nuclear. The state boasts vast alternative energy potential including wind, solar, geothermal, and biofuels.

FAVORABLE PROPERTY TAXES: New Mexico recently reduced corporate income taxes by 22% and has some of the lowest property tax rates in the US. In addition, New Mexico has no inventory taxes.

AFFORDABLE REAL ESTATE AND COST OF LIVING: 121,589 square miles makes New Mexico the fifth largest state, and that helps keep the cost of real estate reasonably priced. New Mexico has an affordable cost of living below the national average.

A QUALIFIED, PRODUCTIVE WORKFORCE: New Mexico offers you a highly diverse, bilingual workforce. Our people are motivated, skilled, and well educated. With over 100,000 college students in the state and the highest number of PhDs per capita in the country, our labor force is positioned to build your company a pipeline of talent.

EFFICIENT MARKET ACCESS: Three interstate freeways and a strong rail distribution system gives you direct access to the West Coast, East Coast, Midwest, and the international borders of Canada and Mexico.

INCENTIVES



LOCAL ECONOMIC DEVELOPEMENT ACT (LEDA)

Discretionary state incentive that can be used toward land, building or infrastructure. Funding awards are determined on a project-by-project basis.

JOB TRAINING INCENTIVE PROGRAM (JTIP)

JTIP funds on-the-job and classroom training for expanding or relocating businesses for up to 6 months. JTIP provides cash reimbursement of 50-75% of wages.

INDUSTRIAL REVENUE BOND (IRB)

IRBs allow for significant real and personal property tax and compensating tax abatements. Terms vary by community/project.

HIGH WAGE JOBS TAX CREDIT (HWJTC)

Refundable credit tax credits equal to 10% of salary for employees earning \$40K+ (rural areas) or \$60K+ (in urban communities). Credit may be taken for four years

MANUFACTURER'S INVESTMENT TAX CREDIT

A tax credit of 5.125% of the value of qualified equipment may be applied against compensating or gross receipts tax.

RURAL JOBS TAX CREDIT

This credit can be applied to taxes due on (state) gross receipts, corporate income, or personal income tax.

TECHNOLOGY JOBS AND R&D TAX CREDIT

Businesses under 50 employees, with qualified expenditures under \$5 million, may claim a tax credit of 5% of qualified R&D expenditures.

NEW MARKETS TAX CREDIT (NMTC)

NM has \$67 million available in the NMTC program. NMTCs provide favorable terms for financing real estate, working capital, equipment, and inventory.

ALTERNATIVE ENERGY PRODUCT MANUFACTUREERS TAX CREDIT

5% tax credit against gross receipts/compensating taxes for equipment purchases.

