

OUR BUSINESS CLIMATE IS SOMETHING TO TALK ABOUT

New Mexico offers employers a business friendly environment and aggressive incentives to match. This helps to encourage job creation and investment in our state. Our financial incentives are designed not only to attract new investment but also to assist companies with future expansions. By designing our incentives this way, it ensures that we can help as many businesses as possible to thrive here.



22% ↓ **22% reduction in Corporate Income Tax** (across the board tax cut for all industries)

Enacted optional **Single Weighted Sales Factor** for headquarters and manufacturing operations (dramatically lowers corporate income tax rate)

Eliminated gross receipts taxes on manufacturing consumables (i.e., electricity and industrial gases, repair parts and spares)

Among the lowest property taxes in the nation

zero Inventory Tax



LOW ENERGY COSTS

New Mexico has comparatively low energy costs compared to the rest of the U.S. as well as extensive renewable energy potential (solar and wind).



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 border of Mexico.



A QUALIFIED, PRODUCTIVE WORKFORCE:

New Mexico offers you a top-quality workforce. The state is home to a large supply of experienced talent, as well as a pipeline of new talent that comes from the more than 100,000 students enrolled in our higher educational institutions.

*According to Business Facilities' "14th Annual Rankings: State Rankings Report"

INCENTIVES

The state of New Mexico and its communities provide over 20 separate incentives and tax credits to help encourage both existing company growth and to attract new company expansion. Below are just a few of the most impactful incentives New Mexico provides. For a complete and more detailed list of incentives that New Mexico and its communities provide please visit our website at www.NMPartnership.com/incentives.

JOB TRAINING INCENTIVE PROGRAM

The flagship New Mexico Job Training Incentive Program (JTIP) funds on-the-job and classroom training for newly-created jobs in expanding or relocating businesses by reimbursing employers for 50-75% of employee wages for up to 6 months.

LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)

LEDA is a discretionary, cash-grant incentive program that can be used towards reimbursing the costs associated with land, building and infrastructure improvements. Funding awards are determined on a project-by-project basis.

HIGH WAGE JOBS TAX CREDIT (HWJTC)

Employers are eligible to receive a tax credit for each new high-wage economic-base job (paying over \$40,000 in a rural area or \$60,000 in a metro). The credit equals 8.5% of the wages and benefits paid for each such job created. Credits in excess of tax liability can be refunded to the employer as cash.

INDUSTRIAL REVENUE BOND (IRB)

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

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 up to \$1,000 per year per employee. Credit can be taken for 2-4 years depending on location. Any balance of this credit can be carried forward for a period of 3 years from the date of issuance.

REFUNDABLE FILM PRODUCTION TAX CREDIT

The state offers a 25% refundable tax credit, with an extra 5% dependent on qualifying factors, on all direct production and post production expenditures, including New Mexico crew, that are subject to taxation by the State of New Mexico.

NEW MARKETS TAX CREDIT (NMTC)

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

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.



Stampede Meat, a food processing company, is investing \$36 million in capital investment in Santa Teresa, NM. The company will hire 1,295 employees over the next 5 years. They were awarded up to **\$3 million in LEDA funds** and will be able to take advantage of JTIP.