

State of New Mexico - Taxation and Revenue Department  
**RENEWABLE ENERGY PRODUCTION TAX CREDIT  
CLAIM FORM**

Name of the claimant	Claimant CRS identification number	Federal employer identification number (FEIN)
Name of qualified energy generator if different from claimant		
Address		City / state / ZIP code
Name of contact person		Phone number and e-mail address

**I. Calculate credit claimed for the current tax year.**

1. Enter the tax year in which the electricity was produced for this claim; **or** if the taxpayer files a fiscal-year or a short-year return, enter the beginning and ending dates of the tax year. \_\_\_\_\_ **OR** \_\_\_\_\_  
From \_\_\_\_\_ to \_\_\_\_\_
  
2. Enter the date the qualified energy generator began producing electricity. \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
mm     dd     ccyy
  
3. Enter the **lesser** of either the kilowatt-hours of electricity produced by the qualified energy generator using a qualified energy resource in the current tax year, or the qualified annual production potential of the generating facility as certified by the Energy, Minerals and Natural Resources Department (EMNRD). \$ \_\_\_\_\_
  
4. Enter the amount of tax credit per kilowatt-hour to be applied to electricity produced during the current tax year. See "THE AMOUNT OF THE CREDIT" in the instructions. \_\_\_\_\_
  
5. Multiply line 3 by line 4. This is the amount of credit that may be claimed by the qualified energy generator in the current tax year. \$ \_\_\_\_\_
  
6. Enter the percentage of the renewable energy production tax credit that may be claimed by the claimant. The percentage must match the percentage for the claimant as shown on the Notice of Allocation issued by EMNRD for the year of this claim. \_\_\_\_\_ %
  
7. Multiply line 5 by line 6. This is the amount of renewable energy production tax credit that may be claimed by the claimant for the current tax year. \$ \_\_\_\_\_

**II. Calculate unused credits for carry forward from prior tax year claims.**

Use Schedule A to calculate the credits carried forward from claims approved for prior-years. NOTE: Any portion of the tax credit unused at the end of the claimant's tax year may be carried forward for five consecutive tax years.

8. Total unused credits for carry forward from prior claims. (Enter the sum of column (d), Schedule A.) \$ \_\_\_\_\_

**III. Credit taken in current tax year.**

9. Total credit available in the current tax year (add lines 7 and 8). \$ \_\_\_\_\_
  
10. Credit taken in the current tax year. Enter the portion of total credit available in the current tax year, line 9, that you wish to claim against the current income tax return. \$ \_\_\_\_\_
  
11. Credit to be refunded to the claimant. Excess credit is refunded if the qualified energy generator first produced electricity using a qualified energy resource on or after October 1, 2007. \$ \_\_\_\_\_

Enter the credit taken (the amount on line 10 of this form) on the corporate, personal or fiduciary income tax return.

**NOTE: Failure to attach this form and required attachments (Certificate of Eligibility and Notice of Allocation from EMNRD) to your return will result in denial of the credit.**

I declare I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief this application is true, correct and complete.

<p>_____</p> <p>Authorized Signature</p>	<p>_____</p> <p>Title</p>	<p>_____</p> <p>Date</p>
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**RENEWABLE ENERGY PRODUCTION TAX CREDIT**  
**Schedule A**

To complete Section II of the claim Form RPD-41227, *Renewable Energy Production Tax Credit Claim Form*, attach a completed Schedule A to compute unused credits for carry forward from prior tax year claims.

**(a) Tax year of previous claim.** For each credit claimed in a previous tax year with unused credit available for carry forward, enter the tax year in which the credit was first claimed. Enter the four-digit year if the credit was claimed in a calendar year. For fiscal-year and short-year returns, enter the beginning and ending dates of the tax year. For example, enter 2003 if the tax year is a calendar year, or enter 07/01/2002 to 07/30/2003, if the tax year is a fiscal year. Do not enter a credit if the credit is no longer available for carry forward. Excess renewable energy production tax credit may only be carried forward for five years following the tax year that the credit is first claimed.

**(b) Credit claimed.** For each credit claimed in column (a), enter the amount of credit that was approved for that tax year.

**(c) Total credit taken in previous tax years.** For each credit amount listed in column (b), enter the total amount of credit applied to personal or corporate income tax liabilities in prior year returns.

**(d) Unused credit available for carry forward from prior claims.** Subtract column (c) from column (b) and enter the difference.

**Total unused credit available for carry forward.** Enter the sum of all amounts in column (d). Also enter this amount on line 8 of Form RPD-41227.

You must apply credit approved to be claimed in the tax year first. If the credit amount approved to be claimed in a tax year is less than the personal or corporate income tax liability for that year, you may apply unused credit available for carry forward next. When applying excess credits available for carry forward, apply the oldest credit first.

**NOTE:** Taxpayers who have received approval for tax credits for facilities that first produced electricity on, or after, October 1, 2007, can claim a refund for any credits in excess of their tax liability.

(a) Tax year of previous claim	(b) Credit claimed	(c) Total credit taken in previous tax years	(d) Unused credit for carry forward from prior claims [(b) - (c)]
<p><b>Total unused credit available for carry forward.</b> Enter the sum of all amounts in column (d). Also enter this amount on line 8 of Form RPD-41227.</p>			

## RENEWABLE ENERGY PRODUCTION TAX CREDIT CLAIM FORM INSTRUCTIONS

**ABOUT THIS CREDIT:** For tax years beginning on or after July 1, 2002, a corporate taxpayer who owns a qualified energy generator is eligible for a tax credit in an amount equal to one cent (\$.01) per kilowatt-hour of electricity produced by the qualified energy generator using a qualified energy resource in the tax year. Taxpayers certified under the old law are eligible for the tax credit **for ten consecutive years, beginning on the date the qualified energy generator begins producing electricity**, or until either the facility goes out of production for more than six consecutive months in a year or until the facility's ten-year eligibility has expired. Prior to January 1, 2008, the credit may be deducted from the claimant's New Mexico corporate income tax liability for the tax year. Use this form to claim the credit.

### LEGISLATIVE CHANGES:

Beginning January 1, 2008, the 2007 New Mexico Legislature expanded the credit as follows:

- The credit is allowed only for facilities that first produce electricity before January 1, 2018.
- The credit is expanded to include personal income taxpayers.
- A variable rate of credit is added for electricity produced using solar energy. The rate starts at 1.5 cents in the first year of operation and increases in increments of 1/2 cent each of the next five years, to a maximum of four cents, and then will decline by 1/2 cent per year in the next four years to two cents in the tenth year of operation. The 1 cent per kilowatt-hour rate applies for all other qualified energy generating facilities.
- The definition of biomass was amended to include a variety of organic materials that are available on a renewable basis including landfill gas and municipal solid waste.
- The minimum size of an eligible facility for the credit is reduced from 10 megawatts to one megawatt.
- The maximum amount of electricity that can be certified as eligible for the credit is increased for solar facilities only. An additional 500,000 megawatt hours (MWh) of solar-generated power -- in addition to the two million MWh from wind and biomass power sources -- can be approved for credits.
- Taxpayers who have received approval for tax credits for facilities that first produced electricity on, or after, October 1, 2007, can claim a refund for any credits in excess of their tax liability.
- The total amount of electricity that can qualify for the corporate and individual income tax credits is two million MWh, plus an additional 500,000 MWh for solar facilities.

The remaining instructions have been modified to include current law.

**WHO MAY CLAIM THE CREDIT:** A taxpayer who files a New Mexico personal income tax and who is not a dependent of another taxpayer or who files a New Mexico personal, cor-

porate or fiduciary tax return and who:

- (1) holds title to a qualified energy generator that first produced electricity on or before January 1, 2018; or
- (2) leases such a facility from a county or municipality under the authority of an industrial revenue bond and if the qualified energy generator first produced electricity on or before January 1, 2018,

may claim all or a portion of the renewable energy production tax credit.

A taxpayer may be allocated all or a portion of the right to claim the credit without regard to proportional ownership interest if:

1. the taxpayer owns an interest in a business entity that is taxed federally as a partnership,
2. the business entity:
  - a. would qualify for the renewable energy production tax credit,
  - b. owns an interest in a business entity that is also taxed as a partnership and that would qualify for the renewable energy production tax credit; or
  - c. owns, through one or more intermediate business entities that are each taxed as a partnership, an interest in the business entity described in the previous paragraph (b).
3. the taxpayer and all other taxpayers allocated a right to claim the credit own collectively at least a 5% interest in a qualified energy generator;
4. the business entity provides notice of the allocation and the taxpayer's interest to the New Mexico Energy, Minerals and Natural Resources Department (EMNRD); and
5. EMNRD certifies the allocation in writing to the taxpayer.

To allocate or apportion the right to claim all or a portion of the renewable energy production tax credit, submit a Notice of Allocation to EMNRD for approval. A Notice of Allocation must be submitted each year for which a claim is made. See the contact information for EMNRD at the end of these instructions.

**THE AMOUNT OF THE CREDIT:** A taxpayer is eligible for the renewable energy production tax credit for ten consecutive years beginning with the date the qualified energy generator begins producing electricity. Compute the credit based on actual electricity produced for each of the ten years.

For a qualified energy generator using a wind- or biomass-derived qualified energy resource, the amount of tax credit is the lesser of \$.01 per kilowatt-hour of the first 400,000 megawatt-hours of electricity produced by the qualified energy generator in the tax year or the estimated annual production potential of the generating facility as determined by EMNRD.

For a qualified energy generator using a solar-light-derived or solar-heat-derived qualified energy resource, the amount of tax credit varies based on the tax year following the date

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the generator first produces electricity using the qualified energy resource. The chart below shows the amount of tax credit for the first 200,000 megawatt-hours of electricity produced by the qualified energy generator in the applicable tax year following the day the qualified energy generator first produces electricity.

Tax Credit per kilowatt hour	Tax year
\$.015	1st
\$.02	2nd
\$.025	3rd
\$.03	4th
\$.035	5th
\$.04	6th
\$.035	7th
\$.03	8th
\$.025	9th
\$.02	10th

The total renewable energy tax credit allowed by all claimants may not exceed the limits set for the renewable energy tax credit allowed for the qualified energy generator. Credit may not be claimed with respect to the same electricity production under *both* the Corporate Income Tax Act and Personal Income Tax Act.

A facility's credit for a tax year is limited to the qualified annual production potential of the generating facility as certified by EMNRD.

**APPLYING FOR CERTIFICATION FROM EMNRD:**

EMNRD certifies the eligibility of an energy generator and the estimated annual production potential of the generating facility. The facility's estimated annual production potential limits the facility's energy production eligible for the tax credit for the tax year. The total amount of electricity that may be produced annually by all qualified energy generators that are certified may not exceed a total of two million megawatt-hours plus an additional 500,000 megawatt-hours produced by qualified energy generators using a solar-light-derived or solar-heat-derived qualified energy resource. Applications will be considered in the order received.

Note: If allocating the right to claim all or a portion of the renewable energy production tax credit, a notice of allocation will have to be approved for each year the qualified energy generator produces energy and qualifies for the credit.

To obtain a certificate of eligibility and an allocation notice of the right to claim all or a portion of the renewable energy production tax credit, if applicable, contact: New Mexico Energy, Minerals and Natural Resources Department, Energy Conservation and Management Division, P.O. Box 6429, Santa Fe, NM 87504-6429, or call (505) 476-3313.

Once the certificate of eligibility and the notice of allocation,

if applicable, is approved by EMNRD, you may apply for the renewable energy tax credit from the New Mexico Taxation and Revenue Department (TRD), and claim the credit against personal or corporate income tax liabilities due to the state.

**HOW TO CLAIM THE CREDIT:**

A taxpayer may claim the renewable energy production tax credit by submitting to TRD, a completed Form RPD-41227, *New Mexico Renewable Energy Production Tax Credit Claim Form*, the certificate of eligibility issued by EMNRD, the notice of allocation approved by EMNRD, if applicable, and documentation of the amount of electricity produced by the facility in the tax year. TRD may require additional information to verify eligibility. If the requirements have been complied with, TRD shall approve the renewable energy production tax credit and apply the credit as indicated on the claim form.

The credit may be deducted from a taxpayer's New Mexico corporate or personal income tax liability for the tax year for which the credit is claimed. If the amount of tax credit exceeds the taxpayer's personal or corporate income tax liability for the tax year:

- (1) the excess may be carried forward for a period of 5 tax years; or
- (2) if the tax credit was issued with respect to a qualified energy generator that first produced electricity using a qualified energy resource on or after October 1, 2007, the excess shall be refunded to the taxpayer.

Renewable energy production tax credit approved to be claimed for the current tax year must be applied first. If the credit amount approved to be claimed in a tax year is less than the personal or corporate income tax liability for that year, you may apply unused credit available for carry forward. When applying unused credits available for carry forward, apply the oldest credit first.

Report the credit taken on the New Mexico personal income tax return, corporate income tax return or fiduciary income tax return. Submit Form RPD-41227, *New Mexico Renewable Energy Production Tax Credit Claim Form*, and attachments with your income tax return.

Once a taxpayer has been granted a renewable energy production tax credit for a given facility, that taxpayer shall be allowed to retain the facility's original date of application for tax credits for that facility until either the facility goes out of production for more than 6 consecutive months in a year or until the facility's 10-year eligibility has expired.

**IMPORTANT DEFINITIONS:**

**Biomass** means organic material that is available on a renewable or recurring basis, including:

- (a) forest-related materials, including mill residues, logging

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- residues, forest thinnings, slash, brush, low-commercial value materials or undesirable species, salt cedar and other phreatophyte or woody vegetation removed from river basins or watersheds and woody material harvested for the purpose of forest fire fuel reduction or forest health and watershed improvement;
- (b) agricultural-related materials, including orchard trees, vineyard, grain or crop residues, including straw and stover, aquatic plants and agricultural processed co-products and waste products including fats, oils, greases, whey and lactose;
  - (c) animal waste, including manure and slaughterhouse and other processing waste;
  - (d) solid woody waste materials, including landscape or right-of-way tree trimmings, rangeland maintenance residues, waste pallets, crates and manufacturing, construction and demolition wood wastes, excluding pressure-treated, chemically treated or painted wood wastes and wood contaminated with plastic;
  - (e) crops and trees planted for the purpose of being used to produce energy;
  - (f) landfill gas, wastewater treatment gas and biosolids, including organic waste byproducts generated during the wastewater treatment process; and
  - (g) segregated municipal solid waste, excluding tires and medical and hazardous waste.
- Qualified energy generator** means a facility with at least one megawatt generating capacity located in New Mexico that produces electricity using a qualified energy resource and that sells that electricity to an unrelated person.
- Qualified energy resource** means a resource that generates electrical energy by means of a fluidized bed technology or similar low-emissions technology, or a zero-emissions generation technology that has substantial long-term production potential and that uses only solar light, solar heat, wind, or biomass.

**POINTS OF CONTACT:**

New Mexico Energy, Minerals and Natural Resources Department  
Energy Conservation and Management Division  
P.O. Box 6429  
Santa Fe, NM 87504-6429  
or call (505) 476-3313

New Mexico Taxation and Revenue Department  
Administrative Resolutions and Services Bureau  
P.O. Box 630  
Santa Fe, NM 87504-0630  
or call (505) 827-0792