

ALTERNATIVE ENERGY PRODUCT MANUFACTURERS TAX CREDIT CLAIM FORM

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ABOUT THIS CREDIT: A new tax credit is created for up to 5% of qualified expenditures for manufacturing equipment used in a manufacturing operation that produces alternative energy products. To be eligible to claim a credit, the taxpayer must employ personnel to perform production tasks in conjunction with manufacturing equipment not previously existing at the site. Additionally, the manufacturer must employ at least one new full-time employee in addition to the number of full-time employees employed one year prior to the day on which the taxpayer applies for the credit for every:

- \$500,000, or a portion of that amount, of qualified expenditures claimed by the taxpayer in a tax year in the same application, up to a value of \$30 million, and
- \$1 million, or a portion of that amount, of qualified expenditures claimed by the taxpayer in a tax year in the same application, over \$30 million.

Use Form RPD-41330, *Application for Alternative Energy Product Manufacturers Tax Credit*, to apply for the credit. Once approved, use this form to claim the credit against modified combined tax liability.

You must apply for the alternative energy product manufacturers tax credit on or before the last day of the year following the end of the calendar year in which the qualified expenditure is made.

RECAPTURE MAY BE REQUIRED: If the taxpayer or successor in the business of the taxpayer ceases operations at a facility in New Mexico for at least 180 consecutive days within a two-year period after the taxpayer has claimed an alternative energy product manufacturers tax credit, the Department may not grant additional credit with respect to that facility. Amounts of credit approved but not yet claimed, will be extinguished, and within 30 days after the one hundred eightieth (180) day of cessation of operations, the taxpayer must pay the modified income tax liability against which approved credit was taken. For purposes of a recapture of this credit, having ceased operations does not include reasonable periods for maintenance or retooling, for the repair or replacement of facilities damaged or destroyed, or during labor disputes.

HOW TO CLAIM THE CREDIT: Once you have been issued approval, the credit may be applied against the manufacturers modified combined tax liability, which includes gross receipts tax, compensating tax, withholding tax, E911 and TRS liabilities and any other tax collected at the same time and in the same manner as the gross receipts tax less any local option gross receipts tax due (5.125% of taxable gross receipts), less any credit other than the alternative energy product manufacturers tax credit. A pass-through entity (PTE) who has been approved for the credit may pass the credit to its owners, members or partners by submitting Form RPD-41364, *Notice of Distribution of Alternative Energy Product Manufacturers Tax Credit*, to the Department reporting the transfer. The owner, member or partner can then apply the credit against its modified combined liability.

Complete the name and address block of the eligible manufacturer. Complete the worksheet to compute the total unused credit available (see instructions). Submit a completed Form RPD-41331 along with a CRS-1, E911 or TRS form for the report period to which you wish to apply the credit. Any alternative energy product manufacturers tax credit that remains unused at the end of the calendar year in which the taxpayer is approved for the credit may be carried forward for 5 years. When completing the CRS-1, E911 and TRS forms, do not reduce the amount due on the report form by the amount of the credit; instead, underpay the tax due on the return and attach the credit claim form to the return.