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HOUSE BILL
50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012
INTRODUCED BY

AN ACT
RELATING TO TAXATION; CREATING A ONE-TIME SHORT-TERM REFUNDABLE
TAX CREDIT FOR PURCHASERS OF ELIGIBLE ENERGY EFFICIENT HOMES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Income Tax Act is enacted
to read:

"[NEW MATERIAL] ENERGY EFFICIENT HOME INCOME TAX CREDIT.--
A. A taxpayer who files an individual New Mexico
income tax return, who is not a dependent of another taxpayer
and who is the new owner of an eligible energy efficient home
may claim and the department may allow a credit pursuant to
Subsection C of this section. The credit provided by this
section may be referred to as the "energy efficient home income
tax credit".

B. The purpose of the energy efficient home income
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1 tax credit is to encourage the construction of new owner-
2 occupied energy efficient residential dwellings and the
3 purchase of foreclosed homes renovated to high energy
4 efficiency standards.

5 C. The amount of the energy efficient home income
6 tax credit that may be claimed shall be calculated based on the
7 certification level achieved by the eligible energy efficient
8 home, as indicated on the following chart:

Rating System Certification Level	Tax Credit
HERS index of 50 or less, but more than 25	\$4,000
HERS index of 25 or less, but more than 0	\$6,000
HERS index of 0 or less	\$8,000.

13 D. A taxpayer who is a homeowner may apply for a
14 certificate of eligibility for the energy efficient home income
15 tax credit from the energy, minerals and natural resources
16 department after the construction or renovation of the eligible
17 energy efficient home is completed. A homeowner shall submit a
18 certificate of occupancy at the time the homeowner applies for
19 a certificate of eligibility. Applications shall be considered
20 in the order received. If the energy, minerals and natural
21 resources department determines that the homeowner meets the
22 requirements of this subsection and that the home, with respect
23 to which the tax credit application is made, meets the
24 requirements of this section as an eligible energy efficient
25 home, the energy, minerals and natural resources department may

1 issue a dated certificate of eligibility to the homeowner,
2 subject to the limitation in Subsection E of this section. The
3 certificate shall include the rating system certification level
4 awarded to the eligible energy efficient home and the amount of
5 the energy efficient home income tax credit for which the
6 homeowner is eligible. The energy, minerals and natural
7 resources department may issue rules governing the procedure
8 for administering the provisions of this subsection. All
9 certificates of eligibility issued pursuant to this subsection
10 shall be sequentially numbered, and an account of all
11 certificates issued or destroyed shall be maintained by the
12 energy, minerals and natural resources department. The
13 taxation and revenue department shall audit the records of the
14 energy efficient home income tax credit maintained by the
15 energy, minerals and natural resources department on a periodic
16 basis to ensure effective administration of the energy
17 efficient home income tax credit and to ensure compliance with
18 the Tax Administration Act and this section.

19 E. The energy, minerals and natural resources
20 department shall not issue a certificate of eligibility if the
21 total amount of energy efficient home income tax credits
22 represented by certificates of eligibility issued by the
23 energy, minerals and natural resources department pursuant to
24 this section exceeds in any calendar year an aggregate amount
25 of ten million dollars (\$10,000,000).

1 F. A taxpayer who claims and is allowed an energy
2 efficient home income tax credit shall not apply for or be
3 granted approval for the sustainable building tax credit
4 pursuant to Section 7-2-18.19 NMSA 1978.

5 G. To be eligible for the energy efficient home
6 income tax credit, the homeowner shall provide to the taxation
7 and revenue department a certificate of eligibility issued by
8 the energy, minerals and natural resources department pursuant
9 to this section and any other information the taxation and
10 revenue department may require to determine the amount of the
11 tax credit for which the homeowner is eligible.

12 H. A taxpayer who is the homeowner of an eligible
13 energy efficient home may only claim the energy efficient home
14 income tax credit provided in this section for the taxable year
15 in which the eligible energy efficient home is purchased. A
16 taxpayer shall apply for approval of the credit within one year
17 following the end of the calendar year in which the eligible
18 energy efficient home is purchased.

19 I. The tax credit provided for in this section
20 shall first be deducted from the taxpayer's New Mexico income
21 tax liability. If the tax credit exceeds the taxpayer's income
22 tax liability, the excess shall be refunded to the taxpayer.
23 The energy efficient home income tax credit shall not be
24 transferred to another taxpayer.

25 J. A husband and wife who file separate returns for

1 a taxable year in which they could have filed a joint return
2 may each claim only one-half of the energy efficient home
3 income tax credit that would have been allowed on a joint
4 return.

5 K. The taxation and revenue department shall
6 annually report to the interim revenue stabilization and tax
7 policy committee the aggregate amount of energy efficient home
8 income tax credits allowed during the preceding taxable year,
9 the number of taxpayers claiming that credit and any other
10 information that the department determines is necessary to
11 evaluate if the energy efficient home income tax credit is
12 achieving the purpose for which it was enacted.

13 L. Acceptance of the energy efficient home income
14 tax credit is authorization for the department to reveal to the
15 legislature information from the tax return of the taxpayer
16 deemed necessary to evaluate the effectiveness of that credit.

17 M. As used in this section:

18 (1) "eligible energy efficient home" means an
19 owner-occupied single family residential dwelling:

20 (a) for which construction or renovation
21 begins on or after July 1, 2012 and on or before June 30, 2014;

22 (b) for which an energy efficient home
23 income tax credit has not been previously claimed;

24 (c) that has a HERS 50 or better rating
25 and is a purchased or custom-built home or a purchased

1 foreclosed home that has been renovated; and

2 (d) that has been issued a certificate
3 of occupancy;

4 (2) "HERS index" means the home energy rating
5 system in which a "HERS" rating is a numerical rating between 0
6 and 100, with each integer value representing a corresponding
7 percentage of energy usage compared to a standard reference
8 building design that complies with the 2004 International
9 Energy Conservation Code designated as HERS 100, as documented
10 by a certified HERS rater or registered professional engineer
11 using the simulated alternative performance path for
12 compliance. An index value of HERS 0 means a home has on-site
13 renewable energy sources that provide an amount of energy equal
14 to or greater than the amount of energy used by that home; an
15 index value of HERS 25 means a home has a seventy-five percent
16 energy reduction below the 2004 International Conservation Code
17 standard reference building design; and an index value of HERS
18 50 means a home has a fifty percent energy reduction below the
19 2004 International Conservation Code standard reference
20 building design; and

21 (3) "homeowner" means the purchaser, owner and
22 occupant of an eligible energy efficient home, but does not
23 include the subsequent purchaser of an eligible energy
24 efficient home with respect to which an energy efficient home
25 income tax credit has been previously claimed."

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1 SECTION 2. APPLICABILITY.--The provisions of this act
2 apply to:

3 A. taxable years beginning on or after January 1,
4 2012 but not after December 31, 2014; and

5 B. single family residential houses, the
6 construction of which began on or after July 1, 2012 but not
7 after July 1, 2014.

8 SECTION 3. EFFECTIVE DATE.--The effective date of the
9 provisions of this act is July 1, 2012.

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