

## CERTIFICATE OF ELIGIBILITY FOR THE RURAL JOB TAX CREDIT

**Purpose of Form.** Form RPD-41247 is to be used by a qualified employer to supplement a claim for the Rural Job Tax Credit. This form certifies the wages of an eligible employee during a qualified period for a qualified job. See the instructions for important definitions.

**How to File this Form.** To apply for the Rural Job Tax Credit, complete Form RPD-41238 *Application for Rural Job Tax Credit*. Attach Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, for each qualified job in the eligible period claimed. Summarize the total eligible jobs and the wages on Form RPD-41238, *Application for Rural Job Tax Credit*. Submit all documentation to the Taxation and Revenue Department for approval. Once the credit is approved, you will receive notification from the Department. See the instructions for Form RPD-41238, *Application for Rural Job Tax Credit*, for further details.

For the status of the credit application call (505) 841-6478.

Name of eligible employer		New Mexico CRS identification number
Physical address		City, state and ZIP code
Mailing address		City, state and ZIP code
Name of contact	Phone number	Email address

1. The date the qualifying job was created: \_\_\_\_\_
2. Name of eligible employee(s) : \_\_\_\_\_
3. The qualifying period for this certificate is: \_\_\_\_\_ through \_\_\_\_\_  
(mm/dd/ccyy) (mm/dd/ccyy)
4. The number of qualified periods previously claimed for this qualifying job: \_\_\_\_\_

**I certify that: (Mark the boxes that apply and complete the required information.)**  
**See the instructions for important definitions.**

5. ☐ the person(s) employed in this **qualified period** is an **eligible employee** as defined in 7-2E-1.1 NMSA 1978
6. ☐ the job is a **qualifying job** as defined in 7-2E-1.1 NMSA 1978.
7. ☐ **wages** paid to the eligible employee during this qualified period were: \$ \_\_\_\_\_
8. ☐ number of weeks during the qualifying period that the position was occupied : \_\_\_\_\_
9. ☐ the qualifying job is located in a: ☐ **tier one** ☐ **tier two area**.

Under penalty of perjury I declare that I have examined this claim, and to the best of my knowledge and belief it is true, correct and complete.

Signature of claimant \_\_\_\_\_ Date \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_

## INSTRUCTIONS FOR CERTIFICATE OF ELIGIBILITY FOR THE RURAL JOB TAX CREDIT

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### ABOUT THIS CREDIT

Eligible employers may earn the rural job tax credit for each qualifying job created after July 1, 2000. The holder of the credit may apply all or a portion of the rural job tax credit to gross receipts (excluding tax imposed by a municipality or county), compensating, and withholding taxes due. The holder also may apply the credit to personal or corporate income taxes due. See Form-41238, *Application for Rural Job Tax Credit*, for further details.

### HOW TO COMPLETE THIS FORM

Complete all information requested in the address block. An "eligible employer" is an employer in a tier one or tier two area (see below) who is eligible for in-plant training assistance by the Economic Development Department pursuant to Section 21-19-7 NMSA 1978.

1. Enter the date the qualifying job was created. The qualifying job must have been created after July 1, 2000.
2. Enter the name of the eligible employee(s) occupying the qualifying job. If more than one employee occupied the job during the qualified period, include the names of each employee.
3. Enter the qualifying period for which this credit is claimed. See the definition of "Qualifying Period" below.
4. Enter the number of previous qualified periods claimed for this job. The rural job tax credit may be claimed a maximum of:
  - a. Four qualifying periods for each job performed or based at a location in a tier one area.
  - b. Two qualifying periods for each job performed or based at a location in a tier two area.

### Certifications

To qualify, all of the following certifications must be met. Check the applicable boxes on the form that apply.

Refer to the definitions for the terms provided in these instructions.

5. Certify that the employee(s) who is occupying the job during this period meets the definition of **eligible employee**.
6. Certify that the job is a **qualifying job** as defined.
7. Certify the **wages** paid to the eligible employee(s) occupying the qualifying job for the qualified period. Enter the lower of either the total wages paid to the employee or \$16,000. The maximum that may be claimed is \$16,000 per qualifying job, per qualifying period.
8. Certify that an eligible employee has occupied this job for at least 48 weeks of the **qualifying period** indicated on line 3.
9. Certify whether the job is performed or based at a location in a **tier one** or a **tier two** area.

Attach this form to Form RPD-41238, *Application for Rural Job Tax Credit*, and mail to: **Taxation and Revenue Department, ATTN: Director's Office, P.O. Box 8485, Albuquerque, NM 87198-8485.**

### Definition of Eligible Employee

Eligible Employee means any individual **other than** an individual who:

- a. bears any of the relationships described in Paragraphs (1) through (8) of the 26 U.S.C. Section 152(a) to the employer or, if the employer is a corporation, to an individual who owns, directly or indirectly, more than 50% in value of the outstanding stock of the corporation or, if the employer is an entity other than a corporation, to any individual who owns, directly or indirectly, more than 50% of the capital and profits interest in the entity;
- b. if the employer is an estate or trust, is a grantor, beneficiary or fiduciary of the estate or trust or is an individual who bears any of the relationships described in Paragraphs (1) through (8) of the 26 U.S.C. Section 152(a) to a grantor, beneficiary or fiduciary of the estate or trust, or
- c. is a dependent, as that term is described in 26 U.S.C. Section 152(a)(9), of the employer or, if the taxpayer is a corporation, of an individual who owns, directly or indirectly, more than 50% in value of the outstanding stock of the corporation or, if the employer is an entity other than a corporation, of any individual who owns, directly or indirectly, more than 50% of the capital and profits interests in the entity or, if the employer is an estate or trust, of a grantor, beneficiary or fiduciary of the estate or trust.

### Definition of Qualifying Job

A job established by an eligible employer that is occupied by an eligible employee for at least 48 weeks of a qualifying period.

A qualifying job shall not be eligible for a rural job tax credit pursuant to this section if:

1. The job is created due to a business merger, acquisition or other change in organization;
2. The eligible employee was terminated from employment in New Mexico by another employer involved in the merger, acquisition or other change in organization; and
3. The job is performed by:
  - a. The person who performed the job or its functional equivalent prior to the business merger, acquisition or other change in organization; or
  - b. A person replacing the person who performed the job or its functional equivalent prior to the business merger, acquisition or other change in organization.

If, however, a qualifying job that was created by another employer and for which the rural job tax credit claim was received by the Taxation and Revenue Department prior to July 1, 2013, and is under review or has been approved shall remain eligible for the rural job tax credit for the balance of the qualifying periods for which the job qualifies by the new employer that results from a business merger, acquisition or other change in the organization.

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A job shall not be eligible for a rural job tax credit pursuant to this section if the job is created due to an eligible employer entering into a contract or becoming a subcontractor to a contract with a governmental entity that replaces one or more entities performing functionally equivalent services for the governmental entity in New Mexico unless the job is a qualifying job that was not being performed by an employee of the replaced entity.

### **Definition of Wages**

Effective July 1, 2013, **wages** means all compensation paid by an eligible employer to an eligible employee through the employer's payroll system, including those wages the employee elects to defer or redirect, such as the employee's contribution to 401(k) or cafeteria plan programs, but not including benefits or the employer's share of payroll taxes.

### **Definition of Qualifying Period**

"Qualifying Period" means the 12 months starting on the first day of an eligible employee's working in a qualifying job, or 12 months starting on the anniversary of the day the eligible employee begins working in a qualifying job.

### **Definition of Tier Areas**

This credit is not available for jobs performed or based in Los Alamos County, the cities of Albuquerque, Los Ranchos, Corrales, Rio Rancho, Tijeras, Santa Fe, Las Cruces or Farmington, or within 10 road miles of any of these cities. Tier two areas are Roswell, Clovis, Carlsbad, Hobbs, Gallup and Alamogordo. Tier one area is anywhere within New Mexico not listed above.