

APPLICATION FOR TECHNOLOGY JOBS TAX CREDIT

Mail this form to: Taxation and Revenue Department, ATTN: Director's Office, P.O. Box 8485, Albuquerque, New Mexico, 87198-8485.
For the status of the credit application call: (505) 383-0184 or (505) 383-0171.

A taxpayer conducting qualified research at a qualified facility and making qualified expenditures is eligible to claim the basic technology jobs tax credit. Additional credit is available for a taxpayer who increases annual payroll expense by \$75,000 over base payroll for every \$1,000,000 in qualified expenditures claimed by the taxpayer in a taxable year in the same claim.

PLEASE PRINT OR TYPE

| | | |
|------------------------|--------------------------|--------------------------------------|
| Name of Business | | New Mexico CRS Identification Number |
| Street Address | City, State and ZIP Code | |
| Mailing Address | City, State and ZIP Code | |
| Name of Contact Person | Telephone Number | Fax Number |

For the year January 1, _____ to December 31, _____
(See reverse side for instructions)

1. Qualified Research (please define type of research) _____

2. Qualified Facility (Indicate type of facility and physical location) _____

3. Qualified Expenditures (Attach expense summary and description of qualified expenditures) _____
4. Basic Technology Jobs Tax Credit _____
4% of Qualified Expenditures or 8% if in a rural area
5. Additional Technology Jobs Tax Credit _____
4% of Qualified Expenditures or 8% if in a rural area
(Attach Payroll Expense Summary. It must reflect base payroll.)
6. Total Technology Jobs Tax Credit..... _____
Add lines 4 & 5

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

Taxpayer Authorized Signature

Date

NEW MEXICO TECHNOLOGY JOBS TAX CREDIT

| | | |
|--|-----------------------------------|-----------------|
| Authorized by the New Mexico Taxation and Revenue Department | | Claim No. _____ |
| Approved by: _____ | Title: _____ | |
| Telephone number: _____ | Date: _____ | |
| Base credit amount approved: _____ | Additional Credit Approved: _____ | |

STATE OF NEW MEXICO - TAXATION AND REVENUE DEPARTMENT
Application for Technology Jobs Tax Credit Instructions

A taxpayer may apply for approval of a credit within one year following the end of the calendar year in which the qualified expenditure was made.

Line 1 - Qualified Research – means research that is undertaken to discover information that is:

- Technological in nature
- Intended to be useful in the development of a new or improved business component of the taxpayer, and
- Related to a new or improved function, performance, reliability or quality, but not related to style, taste, or cosmetic or seasonal design factors.

Line 2 - Qualified Facility – means a factory, mill, plant, refinery, warehouse, dairy, feedlot, building or complex of buildings located in New Mexico. These include the land on which the facility is located and all machinery, equipment and other real and tangible personal property located at or within the facility and used in connection with the operation of the facility. Any facility operated by the taxpayer for the United States is excluded.

Line 3 - Qualified Expenditures – any expenditure or allocated portion of an expenditure connected to qualified research at a qualified facility. Such expenditures include:

- Depletable land and rent paid or incurred for land Improvements
- Allowable amounts paid or incurred to operate or maintain a facility
- Buildings
- Equipment
- Computer software
- Computer software upgrades
- Consultants and contractors performing work in New Mexico
- Payroll
- Technical books and manuals
- Test materials

Qualified expenditures exclude any expenditure:

- On property owned by a municipality or county in connection with an industrial revenue bond project, or
- On property for which the taxpayer has received any credit under the Capital Equipment Tax Credit Act or the Investment Credit Act, and
- On property owned by the taxpayer or affiliate before July 4, 2000, the effective date of the Technology Jobs Tax Credit Act, or
- On research and development reimbursed by a person who is not an affiliate of the taxpayer.

The value of qualified expenditure is the purchase price.

If an allocation of expenditure is claimed, the cost accounting methodology used for the allocation of the expenditure shall be the same cost accounting methodology used by the taxpayer in its other business activities.

Line 4 - Multiply the total amount of qualified expenditures by 4% or by 8% if the qualified facility is in a rural area.* This is the amount of your basic credit.

Line 5 - Multiply the total amount of qualified expenditures by 4% or by 8% if the qualified facility is in a rural area. This is the amount of your additional credit.

*Rural Areas – The amount of both the Basic and Additional Technology Credit shall be doubled if the qualified expenditures were incurred for a qualified facility in a rural area. Rural area is anywhere outside of Bernalillo, Dona Ana or Santa Fe counties or three miles beyond the exterior boundaries of those counties and the municipality of Rio Rancho.

USING THE TECHNOLOGY JOBS TAX CREDIT

The Basic Tax Credit may be applied against the taxpayer's compensating tax, gross receipts tax, or withholding tax due to the state of New Mexico. No taxpayer may claim an amount of approved basic credit for any reporting period that exceeds the sum of the taxpayer's gross receipts tax, compensating tax, and withholding tax due for that reporting period.

The Additional Tax Credit may be applied against the taxpayer's personal or corporate income tax. No taxpayer may claim an amount of additional credit for any reporting period that exceeds the amount of the taxpayer's personal or corporate income tax due for that reporting period. A husband and wife may each claim only one-half the additional credit. A pass-through entity (PTE) approved for additional credit may pass the additional credit to its owners, partners or members using Form RPD-41368, *Notice of Distribution of Technology Jobs Tax Credit*.

Any amount of credit not claimed for a reporting period may be claimed in subsequent reporting periods.

Recapture - If the taxpayer or a successor in business of the taxpayer ceases operations in New Mexico for 180 consecutive days within a two-year period, any approved unclaimed credit shall be extinguished. Within 30 days after the 180 days, the taxpayer shall pay the tax against which an approved technology jobs tax credit was taken.