

State of New Mexico - Taxation and Revenue Department
**SUSTAINABLE BUILDING TAX CREDIT
CLAIM FORM**

Purpose of This Form. To apply approved sustainable building tax credit to personal or corporate income tax due, submit Form RPD-41329, *Sustainable Building Tax Credit Claim Form*, with Form PIT-1, CIT-1, S-Corp, or FID-1 for the tax year to which you are applying the credit. You may carry forward excess sustainable building tax credit for seven tax years from the tax year that includes the date the New Mexico Taxation and Revenue Department (TRD) approved the credit. See RPD-41327 instructions for more information on this tax credit.

Sign, date, and attach this form to your return and mail to the address on the New Mexico income tax return. To apply for the credit, contact the Energy Conservation and Management Division at (505) 476-3320 or visit www.emnrd.state.nm.us/ecmd. For help completing this form, obtaining TRD approval, or claiming the credit, call (505) 827-0792.

Name of holder	Social security number (SSN) or federal employer identification number (FEIN) of holder Mark one: <input checked="" type="checkbox"/> FEIN <input checked="" type="checkbox"/> SSN	
Mailing address	City, state and ZIP code	
Name of contact	Phone number	E-mail address

1. Enter the beginning and ending date of the tax year of this claim. From _____ to _____

- | | |
|---|----|
| 2. Enter the tax due for the tax year as shown on your return. | 2. |
| 3. Enter the portion of total credit available (from Schedule A) claimed on your New Mexico personal, corporate or fiduciary income tax return. Do not enter more than the amount of personal, corporate or fiduciary income tax due. In a tax year the credit used may not exceed the amount of income tax otherwise due. Also attach a completed Schedule CR for the applicable tax return. | 3. |

You must first apply the credit approved for the current tax year. If your tax due exceeds the amount of credit approved in the current tax year, you may apply excess credit available for carryforward from prior years. When applying excess credit approved on prior year returns, apply the credit with the oldest approval date first.

The sustainable building tax credit may be deducted only from the claimant's New Mexico personal or corporate income tax liability.

IMPORTANT: Failure to attach this signed form to your New Mexico personal or corporate income tax return results in denial of the credit.

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 _____

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ABOUT THIS CREDIT

The purpose of the Sustainable Building Tax Credit is to encourage the construction of sustainable buildings and the renovation of existing buildings into sustainable buildings. For tax years ending on or before December 31, 2016, the tax credit is available for the construction in New Mexico of a sustainable building, for the renovation of an existing building in New Mexico into a sustainable building, or for the permanent installation of manufactured housing in New Mexico, regardless of where the housing is manufactured, that is a sustainable building.

The credit is available for residential and commercial buildings, after the construction, installation, or renovation of the sustainable building is complete. To qualify for the sustainable building tax credit, the building must have achieved a silver or higher certification level in the Leadership in Energy and Environmental Design (LEED) green building rating system or the Build Green NM rating system.

Tax Credit For Sustainable Commercial Buildings

The credit calculation is based on the certification level the building achieved in the LEED green building rating system and the amount of qualified occupied square footage in the building. See the commercial building rate chart on the last page of the instructions for Form RPD-41327, *Sustainable Building Tax Credit Approval*.

Tax Credit For Sustainable Residential Buildings

The credit calculation is based on the Build Green NM rating system certification level and the amount of qualified occupied square footage in the building. See the residential building rate chart on the last page of Form RPD-41327, *Sustainable Building Tax Credit Approval*.

To qualify for the sustainable building tax credit, the certification level for a sustainable residential building must be awarded on or after January 1, 2007, and the building owner must be:

- (1) the owner of the sustainable residential building at the time the certification level for the building in the LEED green building rating system or the Build Green NM rating system is awarded, or
- (2) the subsequent purchaser of a sustainable residential building with respect to which no tax credit has been previously claimed.

Obtaining the Certificate of Eligibility

The owner of the building must first obtain a certificate of eligibility for the sustainable building tax credit from EMNRD after the construction, installation, or renovation of sustainable building is complete. EMNRD determines whether the building owner meets the requirements as a sustainable residential or sustainable commercial building and verifies the certification level awarded for the building.

If approved, EMNRD issues the building owner a certificate of eligibility. The certificate includes the rating system certification level awarded to the building, the amount of qualified occupied square footage in the building, and a calculation of the maximum

amount of sustainable building tax credit for which the building owner is eligible.

NOTE: Buildings owned by state or local governments, public school districts, or tribal agencies do not qualify as a sustainable building for purposes of the sustainable building tax credit.

To apply for a certificate of eligibility, contact the Energy Efficiency and Green Building Administrator at (505) 476-3254, or write to Energy, Minerals and Natural Resources Department, 1220 So. St. Francis Dr., Santa Fe, NM 87505.

Annual Limits Established for Approving Applications

Effective January 1, 2014*, EMNRD cannot issue a certificate of eligibility if the total amount of sustainable building tax credits issued in a calendar year exceeds an aggregate amount of \$1,000,000 with respect to sustainable commercial buildings and an aggregate amount of \$4,000,000 with respect to sustainable residential buildings, provided that no more than \$1,250,000 of the aggregate amount with respect to sustainable residential buildings shall be for manufactured housing. Applications are considered in the order received.

If for any tax year, EMNRD determines that the applications for sustainable building tax credits with respect to sustainable residential buildings for that taxable year exceed the aggregate limit above, EMNRD may issue certificates of eligibility under the aggregate annual limit for sustainable commercial buildings to owners of sustainable residential buildings that meet the requirements of EMNRD and of the sustainable building tax credit, provided that applications for sustainable building credits for other sustainable commercial buildings total less than the full amount allocated for tax credits for sustainable commercial buildings.

*Prior to January 1, 2014, the aggregate limitations for a calendar year were \$5,000,000 with respect to sustainable commercial buildings and \$5,000,000 with respect to sustainable residential buildings.

Tax Credit Forms

Before you can claim a credit, the Taxation and Revenue Department must give you approval to receive the credit. The following list shows all the forms for sustainable building tax credits:

- RPD-41327, *Sustainable Building Tax Credit Approval*
- RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*
- RPD-41329, *Sustainable Building Tax Credit Claim Form*, which includes Schedule A.

Requesting the Tax Credit Approval from the Taxation and Revenue Department

After EMNRD issues the certificate of eligibility, the owner of the building must promptly complete Form RPD-41327, *Sustainable Building Tax Credit Approval*, and submit it to the Taxation and Revenue Department (TRD) with a copy of the certificate of eligibility. If all requirements have been complied

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with, TRD approves the credit and returns the approved form to the owner or holder. The sustainable building tax credit allowed an eligible owner of a qualifying sustainable building may be claimed against the owner's personal or corporate income tax liability or may be sold, exchanged, or otherwise transferred to another taxpayer.

If the qualifying sustainable building is owned by a partnership or other business association, the owner may pass the credit to its member(s), partner(s), shareholder(s), or beneficiary(ies) by completing Section II, and submitting a Form RPD-41327, *Sustainable Building Tax Credit Approval*, for each member, partner, shareholder, or beneficiary. The owner may also choose to pass the credit to its member(s), partner(s), shareholder(s), or beneficiary(ies) by submitting Form RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*, to TRD to record with the Department the transfer. Notice must be provided to TRD within 10 days of any transfer, sale or exchange. See Sale, Exchange, or Transfer of the Tax Credit, below.

Members, partners, and beneficiaries may claim a credit only in proportion to their interest in the partnership or association, and are issued an approval for their portion of the credit. The total credit claimed in the aggregate by all members, partners, and beneficiaries of the partnership or other business association with respect to the sustainable building shall not exceed the amount of the credit that could have been claimed by a sole owner of the property. If TRD denies the approval request, Form RPD-41327 is returned to the building owner with an explanation.

Sale, Exchange, or Transfer of the Tax Credit

When a holder or owner receives TRD approval, the credit may be sold, exchanged, or otherwise transferred. Form RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*, must be used to report to TRD a transfer of approved sustainable building tax credit to another taxpayer. Notice must be provided to TRD within 10 days of a sale, exchange, or other transfer. TRD issues the new holder an approval for the credit transfer, a new credit number, and instructions for applying the credit to personal or corporate income tax due.

How You Can Apply the Approved Credit

Holders or owners can apply the approved sustainable building tax credit against their personal or corporate income tax liability for the tax year subject to the rules described next. If the amount of the credit available in a tax year exceeds the liability for that tax year, holders or owners can carry forward the excess for up to seven years.

Effective January 1, 2014, if the total approved amount of all sustainable building tax credits in a tax year is:

- \$100,000 or more, 25% of the total credit amount is applied against the holder's personal or corporate income tax liability in the tax year in which the credit is approved, and 25% in each of the next three subsequent tax years.
- Less than \$100,000, a maximum of \$25,000 is applied

against the holder's personal or corporate income tax liability for the tax year in which the credit is approved, and a maximum of \$25,000 for the next three subsequent tax years as needed until the total credit is applied.

Prior to January 1, 2014, if the amount of the sustainable building tax credit represented by the TRD approval is \$25,000 or more, the credit must be applied for the tax year in which the credit is approved and for the next three subsequent tax years, in increments of 25% of the total credit amount in each of the four tax years. If the amount of the sustainable building tax credit approved by TRD is less than \$25,000, the entire amount of the credit may be applied in the tax year in which the credit is approved.

In all cases, you may carry forward any excess from a credit that has been applied for up to seven years. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the sustainable building credit that would have been allowed on a joint return.

Effectiveness and Cost of Credit

Beginning in 2015 and every five years thereafter, TRD presents annual reports to the Revenue Stabilization and Tax Policy Committee and the Legislative Finance Committee with an analysis of the effectiveness and cost of the tax credit, and whether the tax credit is performing the purpose for which it was created.

Sign, date, and attach the certificate issued by ENMRD and Form RPD-41329, *Sustainable Building Tax Credit Claim Form*, with Schedule B to your personal or corporate income tax return.

Mail your return and all attachments to the address on the income tax return. For assistance completing this form, call (505) 827-0792.

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Schedule A Instructions

For each sustainable building tax credit approved by the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) complete a row in Schedule A. Do not include credits approved in a tax year that is more than eleven years prior to the tax year for which this claim is filed. Unused sustainable building tax credits may not be carried forward for more than ten consecutive tax years following the tax year for which the credit was approved. Do not include credits which have been claimed in full in prior tax years.

COLUMN INSTRUCTIONS

(a) Credit number. Enter the credit number assigned by the Taxation and Revenue Department (TRD) for each sustainable building tax credit approved by TRD. The credit number is provided on Form RPD-41327, *Sustainable Building Tax Credit Approval*. If the credit was transferred to you, enter the new credit number assigned by TRD on Form RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*. Do not enter a credit if the credit was not approved by TRD or if the credit is no longer available for carryforward. Excess sustainable building tax credits may only be carried forward for seven years following the tax year that the credit is approved and claimed.

(b) Date of approval. Enter the date the sustainable building tax credit was approved by TRD, as indicated on Forms RPD-41327, *Sustainable Building Tax Credit Approval*, or RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*.

(c) Amount of credit approved. For each credit, enter the amount approved by TRD, as indicated on Forms RPD-41327, *Sustainable Building Tax Credit Approval*, or RPD-41342, *Notice of Transfer of Sustainable Building Tax Credit*.

(d) Total credit claimed in previous tax years. For each credit amount listed, enter the total amount of credit claimed in all tax years prior to the current tax year.

(e) Unused credit. For each credit, subtract the amount in column (d) from the amount in column (c).

(f) Applied to the attached return. For each credit, enter in column (f) the amount that is applied to the attached New Mexico income tax return.

When calculating the amount in column (f), apply the following rules:

- **Applying credits:** Apply the sustainable building tax credit that was approved for the current tax year first. If additional tax is due for the current tax year, you may apply credit available for carryforward from prior year claims. Excess credit available for carryforward from prior year claims, should be applied in the order that they were approved, applying older credits first.
- **The maximum amount of credit claimed in a tax year.** The sum of tax credits applied to the tax due on the return may not exceed the income tax claimed on the New Mexico income tax return. That amount is the net New Mexico income tax calculated before applying any tax credits claimed.