

STATE OF NEW MEXICO
TAXATION AND REVENUE DEPARTMENT

APPLICATION FOR RURAL JOB TAX CREDIT

A Rural Job Tax Credit is offered to employers who are eligible for Job Training Incentive Program assistance. It is based on the wages earned in qualifying jobs occupied by an eligible employee for at least forty-eight (48) weeks during a qualifying period.

Mail to: New Mexico Taxation and Revenue Department (TRD), 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.

PLEASE PRINT OR TYPE

Name of business		New Mexico Business Tax Identification Number (NMBTIN)	
Physical address		City, state and ZIP code	
Mailing address		City, state and ZIP code	
Name of contact person	Telephone number	Email address	

Enter the information requested under the tier area column that describes the location of the job.

(Tier areas are defined on the back of this form.)

TIER ONE AREA

TIER TWO AREA

- | | | |
|--|--------------|--------------|
| <p>1. Number of eligible jobs claimed*
A certificate is required for each eligible job</p> | <p>_____</p> | <p>_____</p> |
| <p>2. Total Eligible Wages: (\$16,000 maximum per job certificate)*
Pursuant to Paragraphs (1), (2), and (3), 26 U.S.C. Section 51(c).</p> | <p>_____</p> | <p>_____</p> |
| <p>3. Rural Job Tax Credit:
Multiply line 2 by .0625</p> | <p>_____</p> | <p>_____</p> |

* Attach Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, for each job for which credit is claimed in an eligible period.

Taxpayer's Signature

Title

Telephone Number

Date

NEW MEXICO RURAL JOB TAX CREDIT

Rural Job Tax Credit - Authorized by the New Mexico Taxation and Revenue Department	
Approval by the New Mexico Taxation and Revenue Department	Claim No. _____
Department authorization: _____	Title: _____
Date issued: _____	Credit sequence number: _____
Total amount approved: _____	

This credit may be sold, exchanged, or otherwise transferred. Use Form RPD-41365, *Notice of Transfer of Rural Job Tax Credit*, to report to TRD a transfer or distribution of approved rural job tax credits. The parties to such a transaction shall notify TRD of the sale, exchange or transfer within ten days of such transaction. The holder of this credit may apply all or a portion of the rural job tax credit to gross receipts tax (excluding local option taxes imposed by a municipality or county), compensating or withholding tax, less the amounts of any other credit applied. The holder also may apply the credit to personal or corporate income tax liability. The credit may be carried forward for a period of three years from the date issued as referenced above.

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ABOUT THIS CREDIT

The purpose of the rural job tax credit is to encourage businesses to start new businesses in rural areas of New Mexico.

The Rural Job Tax Credit Act, Section 7-2E-1.1 NMSA 1978 provides a credit for eligible rural employers for wages paid to an eligible employee for each qualifying job the employer creates after July 1, 2000. The amount of the rural job tax credit is 6.25% of the first \$16,000 in wages paid for the qualifying job in a qualifying period. An eligible employee must occupy the qualified job for at least 48 weeks.

The Rural Job Tax Credit may be claimed for each qualifying job for a maximum of four qualifying periods if the job is performed or based at a location in a tier one area, and two qualifying periods if the job is performed or based at a location in a tier two area.

Definition of Tier Areas and Rural Area

A rural area *excludes* Albuquerque, Corrales, Farmington, Las Cruces, Los Alamos County, Los Ranchos, Rio Rancho, Santa Fe, or Tijeras, or any area within a ten-mile zone around any of these municipalities. A tier two area is within the cities of Alamogordo, Carlsbad, Clovis, Gallup, Hobbs, and Roswell. A tier one area is anywhere within New Mexico not listed above.

Definition of Eligible Employer

An employer who is eligible* for Job Training Incentive Program (JTIP) assistance by the New Mexico Economic Development Department, pursuant to Section 21-19-7 NMSA 1978. To learn more about JTIP assistance contact: New Mexico Economic Development Department, Joseph M. Montoya Building, 1100 So. St. Francis Drive, Santa Fe, NM 87505-4147 or call: (505) 827-0300 or (800) 374-3061. Their Internet address is: www.gonm.biz/.

*Prior to July 1, 2013, the employer needed to be approved for JTIP assistance. Effective July 1, 2013, an eligible employer qualifies when they can show that they are eligible for JTIP assistance.

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.

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 Qualifying Period

A period of 12 months beginning on the day an eligible employee began working in the qualifying job, or a period of 12 months beginning on the anniversary of the day an eligible employee began working in a qualified job.

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.

CERTIFICATIONS

The employer shall certify the amount of wages paid to each eligible employee during each qualified period, the number of weeks during the period the position was occupied, and whether the qualifying job was in a tier one or a tier two area. Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, must be completed for each eligible job within an eligible period. Certificates must be notarized and submitted with the application.

APPLICATION

Apply to the Taxation and Revenue Department (TRD) for the credit by completing Form RPD-41238, *Application for Rural Job Tax Credit*. Complete Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, for

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each eligible job within an eligible period. On the application, summarize the wages reported on the certificates and calculate the amount of credit. Attach certificate(s) to the application and submit to TRD. TRD may approve the credit and issue to the applicant a document granting the tax credit.

FORM INSTRUCTIONS

Complete all information requested in the address block.

1. Enter the number of eligible jobs for which credit is claimed. (A certificate must be attached for each eligible job).
2. Enter the sum of the wages for each eligible job as certified by the applicant. (Maximum \$16,000 of wages paid for each qualifying job per qualified period.) 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, or
 - b. Two qualifying periods for each job performed or based at a location in a tier two area.
3. Multiply line 2 by .0625 to compute the total Rural Job Tax Credit.

Attach a Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, for each eligible job included in line 1.

Complete taxpayer signature, title, telephone number and date.

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

USING THE RURAL JOB TAX CREDIT

The holder of the credit may apply all or a portion of the Rural Job Tax Credit to gross receipts less any taxes collected with respect to local option gross receipts taxes (5.125% of taxable receipts), compensating, and withholding taxes due, less the amount of any credit other than the Rural Job Tax Credit applied. The holder may also apply the credit to personal or corporate income tax liability. If a PTE is a holder of the credit, the PTE may pass the credit to its owners so that the owners may claim the credit against their corporate or personal income tax liabilities. Use Form RPD-41365, *Notice of Transfer of Rural Job Tax Credit*, to report to TRD a distribution of approved rural job tax credit to the owners, members or partners of a PTE.

To claim approved credits against tax liabilities, complete Form RPD-41243, *Rural Job Tax Credit Claim Form*, and submit the form with the return to which the taxpayer wishes to apply the credit. The credit can be carried forward for a period of three years from the date the credit is issued.

TRANSFER OF CREDIT

This credit may be sold, exchanged, or otherwise transferred.

The parties to such a transaction shall notify the New Mexico Taxation and Revenue Department within ten days of the transaction. Use Form RPD-41365, *Notice of Transfer of Rural Job Tax Credit*, to report to TRD a transfer or distribution of approved rural job tax credits.

Mail the notification of transfer to: New Mexico Taxation and Revenue Department, PIT Edit Error, P.O. Box 5418, Santa Fe, New Mexico 87502-5418.