

TITLE 3: TAXATION
CHAPTER 13: BUSINESS TAX CREDITS
PART 4: RURAL JOB TAX CREDIT

3.13.4.1 ISSUING AGENCY: Taxation and Revenue Department, Joseph M. Montoya Building, 1100 South St. Francis Drive, P.O. Box 630, Santa Fe NM 87504-0630
[2/14/00; 3.13.4.1 NMAC - Rn, 3 NMAC 13.4.1, 6/29/01]

3.13.4.2 SCOPE: This part applies to all employers subject to the gross receipts, compensating, withholding or corporate income tax and approved for in-plant training assistance by the economic development department.
[2/14/00; 3.13.4.2 NMAC - Rn, 3 NMAC 13.4.2, 6/29/01]

3.13.4.3 STATUTORY AUTHORITY: Section 9-11-6.2 NMSA 1978.
[2/14/00; 3.13.4.3 NMAC - Rn, 3 NMAC 13.4.3, 6/29/01]

3.13.4.4 DURATION: Permanent.
[2/14/00; 3.13.4.4 NMAC - Rn, 3 NMAC 13.4.4, 6/29/01]

3.13.4.5 EFFECTIVE DATE: 2/14/00, unless a later date is cited at the end of a section, in which case the later date is the effective date.
[2/14/00; 3.13.4.5 NMAC - Rn & A, 3 NMAC 13.4.5, 6/29/01]

3.13.4.6 OBJECTIVE: The objective of this part is to interpret, exemplify, implement and enforce the provisions of Sections 7-2E-1 and 7-2E-2 NMSA 1978.
[2/14/00; 3.13.4.6 NMAC - Rn & A, 3 NMAC 13.4.6, 6/29/01]

3.13.4.7 DEFINITIONS: [Reserved.]
[2/14/00; 3.13.4.7 NMAC - Rn, 3 NMAC 13.4.7, 6/29/01]

3.13.4.8 APPLICATION OF THE CREDIT: The credit allowed by Section 7-2E-1 NMSA 1978 may not be applied against any local option gross receipts tax imposed by a county or municipality.
[2/14/00; 3.13.4.8 NMAC - Rn & A, 3 NMAC 13.4.8, 6/29/01]

3.13.4.9 CREDIT TRANSFERABLE - TRANSFER REQUIREMENTS:

A. Any amount of rural job tax credit claimed and approved may be applied by the claimant only against the claimant's modified combined tax liability, as that term is defined in Section 7-2E-1 NMSA 1978, and personal or corporate income tax owed by the claimant. If any amount of approved credit is sold, exchanged or otherwise transferred to another person, that person may apply the credit amount transferred only against that person's modified combined tax liability, as that term is defined in Section 7-2E-1 NMSA 1978, and personal or corporate income tax owed by that person. No credit will be approved with respect to employment prior to July 1, 2000.

B. No person who has received approval for a certain amount of rural job tax credit may sell to any other person more than the amount approved or more than the amount approved less amounts claimed and allowed.

C. The sale, exchange or other transfer of an amount of rural job tax credit is not effective and will not be honored by the department unless the seller notifies the department in writing of the fact of the proposed sale, exchange or other transfer, the name, address, taxpayer identification number and telephone number of the person to whom the credit is being sold, exchanged or transferred and the amount of credit being sold, exchanged or transferred. The department will compare the credit amount the department records show as unclaimed with the amount proposed to be sold, exchanged or transferred. If the credit amount shown on department records is less than the amount proposed to be transferred, the department will notify both parties in writing of that fact.

[2/14/00; 3.13.4.9 NMAC - Rn & A, 3 NMAC 13.4.9, 6/29/01]

3.13.4.10 EFFECT OF CHANGE IN MUNICIPAL POPULATION:

A. If the population of a municipality within the rural area is 15,000 or fewer according to the 1990 decennial census but greater than 15,000 according to the 2000 decennial census,

(1) credits based on a location that changes from a tier one area to a tier two area as a result of the 2000 decennial census shall be deemed to be tier one area credits and credit amounts may be claimed for four qualifying periods if all other requirements are satisfied and the credit was approved prior to the time the 2000 decennial census population for the location is announced officially; and

(2) credits based on a location that changes from a tier one area to a tier two area as a result of the 2000 decennial census shall be deemed to be tier two area credits and credit amounts may be claimed for two qualifying periods if all other requirements are satisfied and the credit was applied for but not approved by the Department at the time the 2000 decennial census population for the location is announced officially.

B. If the population of a municipality within the rural area is greater than 15,000 according to the 1990 decennial census but 15,000 or fewer according to the 2000 decennial census,

(1) credits based on a location that changes from a tier two area to a tier one area as a result of the 2000 decennial census shall be deemed to be tier two area credits and credit amounts may be claimed for two qualifying periods if all other requirements are satisfied and the credit was approved prior to the time the 2000 decennial census population for the location is announced officially; and

(2) credits based on a location that changes from a tier two area to a tier one area as a result of the 2000 decennial census shall be deemed to be tier one area credits and credit amounts may be claimed for four qualifying periods if all other requirements are satisfied and the credit was applied for but not approved by the department at the time the 2000 decennial census population for the location is announced officially.

[2/14/00; 3.13.4.10 NMAC - Rn, 3 NMAC 13.4.10, 6/29/01]

HISTORY OF 3.13.4 NMAC:

Pre-NMAC History: [RESERVED]

NMAC History:

3 NMAC 13.4, Rural Job Tax Credit, filed 1/21/00.

3.13.4 NMAC, Rural Job Tax Credit, filed 6/18/01.