

BUSINESS INCENTIVES PRACTICE

MAJOR INCENTIVE PROGRAMS NEW MEXICO

A Cushman & Wakefield Global Business Consulting Publication



2015

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The Business Incentives Practice (“BIP”) strategically assists companies through the process of securing optimal incentive packages for projects considering an expansion, consolidation, or relocation. BIP leverages a project’s unique strengths and benefits to identify, negotiate, and implement all feasible economic development or government incentives (“Incentives”) opportunities. Moreover, BIP provides ongoing support and administration for a project to address any issues that may arise. By engaging BIP to work in parallel to the site selection team, businesses can have assurance that the optimal level of Incentives is secured and realized.

SERVICES

BIP’s mission is to develop a strategy that enhances business performance, while reducing a project’s up-front capital and ongoing operational costs through the procurement of Incentives. Many businesses are not aware they may be entitled to Incentives benefits for certain expansion, consolidation, and relocation activities. BIP identifies said opportunities through a multifaceted methodology that begins with careful analysis of project-specific data. The process continues with a detailed due diligence on all aspects of site-specific Incentives opportunities and concludes with the negotiation, implementation, and administration of Incentives.

RESULTS

BIP has successfully secured Incentives packages for a broad range of clients globally. The BIP team maintains a robust incentives database and along with its vast experience it facilitates the best possible results for a project. Since its inception, BIP professionals have negotiated in excess of \$3.0 billion in savings for its clients.



KEY PROJECT TYPES

BIP enables its clients to identify, negotiate, and quantify the myriad of incentives available through the federal, state, and municipal governments, as well as utilities service providers. BIP clients represent all industry sectors, ranging in size from Fortune 100 corporations to private owners, occupiers and developers. Almost any type of corporate location initiative can benefit from the use of C&W’s Business Incentives Practice:

- Corporate Headquarters Facilities
- Manufacturing Facilities
- R&D Centers
- Warehouse and Distribution Facilities
- Call Centers
- Data Centers
- Back-Office Centers
- Mixed-Use Developments

NEW MEXICO’S RECENTLY AWARDED INCENTIVES (USD M)

COMPANY	JOB	INCENTIVES
Comcast Cable Communications	450	1.2
Preferred Produce	10	0.1
Foods of New Mexico Food Distributors	80	0.4
Still Solutions	1	0.1
AerSale	5	0.1
Nuvita	3	0.1
CN Wire Corporation	68	0.3
Ideum	6	0.1
Canon Information Technology Services	3	0.1
Aircraft Technical Support	44	0.3
Rio Bravo Brewing	1	0.1
Private Label Select	10	0.1

OVERVIEW OF MAJOR NEW MEXICO INCENTIVE PROGRAMS

RURAL JOBS TAX CREDIT

Qualified employers locating in a rural area and approved for the JTIP program are eligible to receive a tax credit (6.25% of the first \$16,000 in wages), for up to four consecutive years. Rural New Mexico is defined as any part of the state other than Los Alamos, Albuquerque, Rio Rancho, Las Cruces and Santa Fe – and a 10 mile zone around municipalities. Unused credit may be carried forward for up to three years.

HIGH-WAGE JOBS TAX CREDIT

Provides a tax credit equal to 10% of the combined value of salaries and benefits for each new job paying a minimum of \$28,000 per year in areas with populations less than 40,000 persons. Companies locating in larger areas must pay salaries of \$40,000 to receive the credit. Credit is for up to four years and any excess credit will be refunded to the business. The credit shall not exceed \$12,000 per year, per job. The credit is applied against the businesses tax liability, including the state portion of gross receipts tax, compensating tax and withholding tax.

MANUFACTURERS INVESTMENT TAX CREDIT

Provides tax credits of 5% of the value of qualified equipment and other property used in their operation to be applied against compensating, gross receipts or withholding tax, up to 85% of the total. Any remaining available credit may be claimed in subsequent reporting periods. To qualify, the company must add one new job for each credit, up to \$30 million; and one new employee must be hired for each \$500,000 in equipment.

TECHNOLOGY JOBS TAX CREDIT

A tax credit is available for 4% of qualified research expenditures (8% in rural areas). The credit may be taken against gross receipts tax, compensating tax or state payroll tax, and may be carried forward. An additional 4% may be applied against state income tax if base payroll expenses are increased by at least \$75,000 per \$1,000,000 of expenditures claimed.

JOB TRAINING INVESTMENT PROGRAM

Provides companies with reimbursement for training costs associated for newly created jobs. Reimbursements typically range from 50%-80% of employee wages and travel expenses. Eligibility for JTIP funds depends on the company's business, the role of the newly created positions in that business, and the trainees themselves.

New Mexico shows an average deal value of **\$0.23 million** with **41 new jobs** created per deal

OTHER NEW MEXICO INCENTIVE PROGRAMS

- Angel Investment Credit
- Consumables Gross Receipts Tax Deduction for Manufacturers
- Texas/New Mexico Border Residents' Tax Exemption
- Aircraft Deduction
- Military Acquisition Program Tax Deduction
- Research & Development Tax Deduction
- Space Gross Receipts Tax Deductions
- Financial Management Tax Credit
- Film Post Production Services 25% Refundable Tax Credit
- Rural Software Development Gross Receipts Tax Deduction
- Web Hosting Gross Receipts Tax Deduction
- Advanced Energy Deduction & Advanced Energy Tax Credit
- Alternative Energy Product Manufacturer's Tax Credit
- Biodiesel Blending Facility Tax Credit
- Biomass-Related Equipment & Materials Deduction
- Renewable Energy Production Tax Credit
- Locomotive Fuel Gross Receipts & Compensating Tax Exemption

For more information, contact:

Alexander Frei

Co-Head, Business Incentives Practice for the Americas

T +1 (312) 470 1836

alex.frei@cushwake.com

Aaron Hirschl

Consulting Analyst

T +1 (312) 470 2373

aaron.hirschl@cushwake.com