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Applications for the Solar Market Development Income Tax Credit Now Live

Santa Fe, NM – Today the Solar Market Development Income Tax Credit rule as defined in [3.3.14 NMAC](#) goes into effect upon its publication in the New Mexico Register. New Mexicans can now submit an application for the tax credit through the Energy, Minerals and Natural Resources Department (EMNRD) Energy Conservation and Management Division's (ECMD) [website](#). The tax credit offers a 10% tax credit on solar system installation costs for qualified solar thermal and photovoltaic (PV) systems, up to a maximum of \$6,000. The provisions of the new tax credit apply to systems that are purchased or installed on or after March 1, 2020 and before January 1, 2028.

Solar panels reduce emissions and save money over time by cutting electricity bills, however, the initial costs of buying solar panels are often out of reach for many New Mexicans. The Solar Market Development Income Tax Credit aims to offset these costs so more New Mexico families and small businesses can access the benefits of solar energy.

“Expanding solar energy reduces climate pollution and creates local jobs,” said EMNRD Cabinet Secretary Sarah Cottrell Propst. “As we continue to fight climate change it’s important that we do so with equity in mind, and the Solar Market Development Tax Credit does just that by increasing access to solar power for more New Mexicans.”

Applications must be submitted by the property owner in which the solar system is located. The application approval process is a multi-step process. First, the applicant must submit an application to EMNRD. Applications will be reviewed in the order that they have been received. If any of the required documents are missing, the application will be rejected and the applicant will need to resubmit. There is an annual cap of \$8 million available for the tax credit on a first come first serve basis.

Once an application has been approved by EMNRD, a Certificate of Eligibility for the tax credit will be issued via postal mail to the applicant. The Certificate of Eligibility is valid for five years. In order to receive the tax credit itself, the applicant must attach the Certificate of Eligibility to the NM Taxation and Revenue Department (TRD) claim form 41406 and submit with their New Mexico PIT filing.

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The link to EMNRD's application is available [here](#) or you can reach the application directly here:
<https://wwwapps.emnrd.state.nm.us/ECMD/NSMDSUBMISSIONS/default.aspx>

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*The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy
resource development services to the public and other state agencies.*
<http://www.emnrd.state.nm.us>