

STATE OF NEW MEXICO - TAXATION AND REVENUE DEPARTMENT
APPLICATION FOR HIGH-WAGE JOBS TAX CREDIT

Who Must File: An eligible employer files this form annually to apply for a high-wage jobs tax credit for each new high-wage economic-based job created on or after July 1, 2004 and before July 1, 2020, occupied during a qualified period beginning with the year the new job is created and for three consecutive qualifying periods. The amount of the credit is 10% of wages paid to an eligible employee in a high-wage economic-based job for a maximum credit of \$12,000 per qualified period. See the instructions for important definitions. For the status of an application or to speak with an auditor, call (505) 841-2986 or (505) 841-6486.

Name of eligible employer	New Mexico CRS identification number	
Physical address	City, state, and ZIP code	
Mailing address	City, state, and ZIP code	
Name of contact	Phone number	Email address

Total High-Wage Jobs Tax Credit

1. Claimed qualifying period(s) for the calendar year: January 1 to December 31, _____ (year)
2. Enter the total number of eligible employees occupying a qualifying high-wage job in a qualified period included in this application. Refer to the number of employees reported in RPD-41376, *Employee Eligibility Detail Report*. _____
3. Enter the total high-wage jobs tax credit claimed (from column AC of RPD-41376, *Employee Eligibility Detail Report*). \$ _____

NOTE: Attach the following required documents to this application—RPD-41376, *Employee Eligibility Detail Report* and all supporting documentation including payroll registers, sales documentation for the last 12 months, proof of newly created jobs for individuals claimed, and proof of maintaining increase of high-wage jobs for the qualifying period. You can download RPD-41376, *Employee Eligibility Detail Report*, from our website at www.tax.newmexico.gov. Instead of sending attachments, you may contact an auditor for a link to email the documents using a secure application.

Under penalty of perjury and subject to the applicable penalty outlined in Section 7-9G-1(L) NMSA 1978, 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 _____
Subscribed and sworn before me this _____ day of _____, 20 _____	
Notary Public _____ My commission expires _____	

FOR DEPARTMENT USE ONLY

Authorized by the New Mexico Taxation and Revenue Department.	
Approved by: _____	Title: _____
Phone number: _____	Date: _____
High-wage jobs tax credit amount approved: \$ _____	Claim number: _____

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INSTRUCTIONS

AMENDMENTS APPLICABLE TO APPLICATIONS FILED WITH TRD ON OR AFTER JANUARY 1, 2017

Section 7-9G-1(L) NMSA 1978. Any person who willfully submits a false, incorrect, or fraudulent certification required pursuant to Section 7-9G-1(K) NMSA 1978 shall be subject to all applicable penalties under the Tax Administration Act, except that the amount on which the penalty is based shall be the total amount of credit requested on the application for approval.

The amended text adds several provisions to the statute. If the taxpayer ceases business operations in New Mexico while an application for credit approval is pending or after an application for credit is approved for any qualifying period for a new high-wage economic-based job, the Department shall not grant an additional high-wage jobs tax credit to that taxpayer, except as provided in Section 7-9G-1(O) NMSA 1978, and shall extinguish any amount of credit approved for that taxpayer not already claimed against the taxpayer's modified combined tax liability.

Section 7-9G-1(O) NMSA 1978 states a taxpayer that has received a high-wage jobs tax credit shall not submit a new application for a credit for a minimum of five calendar years from the closing date of the last qualifying period for which the taxpayer received the credit if the taxpayer:

(1) lost eligibility to claim a tax credit from a previous application pursuant to Section 7-9G-1(E) or (N) NMSA 1978, or

(2) reduces its total full-time employees in New Mexico by more than five percent after the date on which the last qualifying period on the taxpayer's previous application ends.

Section 7-1-68(D)(7) NMSA 1978. No interest will be paid on any high-wage jobs tax credit amount refunded (Section 7-1-68 NMSA 1978).

PURPOSE

The purpose of the high-wage jobs tax credit is to provide an incentive for urban and rural businesses to create and fill new high-wage jobs in New Mexico.

The high-wage jobs tax credit may be claimed by an eligible employer for each new high-wage economic-based job performed for the year in which the new high-wage economic job is created and for the three consecutive qualifying periods. A taxpayer must apply for approval of the credit after the close of a qualifying period, *but not later than 12 months following the end of the calendar year in which the taxpayer's final qualifying period closes.*

HOW TO APPLY

Complete Form RPD-41288, *Application for High-Wage Jobs Tax Credit*. Then submit it to the Taxation and Revenue Department along with RPD-41376, *Employee Eligibility Detail Report* and all supporting documentation in electronic format—payroll registers, sales documentation for the last 12 months, proof of newly created jobs for the positions claimed, and proof of increase of high-wage jobs for the qualifying period. The High-Wage Jobs Tax Credit Form RPD-41376, *Employee Eligibility Detail Report*, is an Excel spreadsheet. The report's instructions begin on page 3 of these instructions.

Important: A taxpayer must apply for approval of the credit after the close of a qualifying period, *but not later than 12 months following the end of the calendar year in which the taxpayer's final qualifying period closes.*

On this application, answer the questions establishing that you retain the status of an eligible employer. The Department may approve the credit and issue to the applicant a document granting the tax credit. For status of the application, call (505) 841-2986 or (505) 841-6486.

FORM INSTRUCTIONS

1. Complete all information requested in the address block.
2. Line 1. Enter the year of the credit period.
3. Line 2. Enter the number of eligible employees occupying a qualifying high-wage job in the qualified period included in this application. Refer to the number of entries on Form RPD-41376, *Employee Eligibility Detail Report*.
4. Line 3. Enter the total high-wage jobs tax credit claimed from column AC of RPD-41376. A maximum credit of \$12,000 of wages and benefits paid for each high-wage job in each qualified period is allowed.

Make sure RPD-41288, *Application for High-Wage Jobs Tax Credit*, is signed and notarized. Mail this application along with RPD-41376, *Employee Eligibility Detail Report*, and all of the supporting documentation to: Taxation and Revenue Department, Director's Office, P. O. Box 8485, Albuquerque, NM 87198-8485. The Department will notify you when the application is approved. After approval, complete RPD-41290, *High-Wage Jobs Tax Credit Claim Form*, to claim the credit against the modified combined tax liability due. (See the **Modified combined tax liability** definition on page 3 of these instructions.) The Department will refund any excess credit.

USING THE HIGH-WAGE JOBS TAX CREDIT

When approved, the high-wage jobs tax credit may be

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applied against the modified combined tax liability of a taxpayer.

To claim approved credits against tax liabilities, submit RPD-41290, *High-Wage Jobs Tax Credit Claim Form*, with the tax or surcharge return to which you want to apply the credit. You may apply the credit against tax owed on Form CRS-1, less local option gross receipts taxes; RPD-41114, *Enhanced 911 Services Surcharge*; or RPD-41116, *Telecommunications Relay Service Surcharge*. When applying the credit to Form CRS-1, you must pay any gross receipts tax due over the state rate of 5.125%. The Department will refund any excess credit.

DEFINITIONS

An **eligible employer** is an employer that:

- a. sold and delivered more than fifty percent of its goods produced in New Mexico or non-retail services performed in New Mexico to persons outside New Mexico for use or resale outside New Mexico during the applicable qualifying period, provided that the fifty percent of those goods or services is measured by the eligible employer's gross receipts;
- b. is receiving or is eligible to receive development training program assistance pursuant to Section 21-19-7 NMSA 1978 during the applicable qualifying period; and
- c. whose principal business activities at the location in New Mexico for which the high-wage jobs tax credit is being claimed consist of manufacturing or performing non-retail services during the applicable qualifying period.

A **new high-wage economic-based job** means a job created in New Mexico by an eligible employer on or after July 1, 2004 and prior to July 1, 2020, that is occupied for at least 48 weeks of a qualifying period by an eligible employee who is paid wages calculated for the qualifying period to be at least:

For a new high-wage economic-based job created prior to July 1, 2015:

- a. \$40,000 if the job is performed or based in or within 10 miles of the external boundaries of a municipality with a population of 60,000 or more according to the most recent federal decennial census or in a class H county; and
- b. \$28,000 if the job is performed or based in a municipality with a population of less than 60,000 according to the most recent federal decennial census or in the unincorporated area, that is not within 10 miles of the external boundaries of a municipality with a population of 60,000 or more, of a county other than a class H county;

The qualified job must be occupied for at least 48 weeks during a qualifying period, and an eligible employee must be paid at least \$40,000 if the job is performed or based:

- in or within 10 miles of the external boundary of Albuquerque, Las Cruces, Rio Rancho, or the city of Santa Fe, or
- in the county of Los Alamos,

and \$28,000 if the job is performed or based anywhere else in the state.

For a new high-wage economic-based job created on or after July 1, 2015:

- a. \$60,000 if the job is performed or based in or within 10 miles of the external boundaries of a municipality with a population of 60,000 or more according to the most recent federal decennial census or in a class H county; and
- b. \$40,000 if the job is performed or based in a municipality with a population of less than 60,000 according to the most recent federal decennial census or in the unincorporated area, that is not within 10 miles of the external boundaries of a municipality with a population of 60,000 or more, of a county other than a class H county.

The qualified job must be occupied for at least 48 weeks during a qualifying period, and an eligible employee must be paid at least \$60,000 if the job is performed or based:

- in or within 10 miles of the external boundary of Albuquerque, Las Cruces, Rio Rancho, or the city of Santa Fe, or
- in the county of Los Alamos,

and \$40,000 if the job is performed or based anywhere else in the state.

The high-wage jobs tax credit may be claimed by an eligible employer for each new high-wage economic-based job performed for the year in which the new high-wage economic-based job is created and for the three consecutive qualifying periods.

A new high-wage economic-based job shall not be eligible for a credit pursuant to this section for the initial qualifying period unless the eligible employer's total number of employees with threshold jobs on the last day of the initial qualifying period at the location at which the job is performed or based is at least one more than the number of threshold jobs on the day prior to the date the new high-wage economic-based job was created.

A new high-wage economic-based job shall not be eligible for a credit pursuant to this section for a consecutive qualifying

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period unless the total number of threshold jobs at a location at which the job is performed or based on the last day of that qualifying period is greater than or equal to the number of threshold jobs at that same location on the last day of the initial qualifying period for the new high-wage economic-based job.

A new high-wage economic-based job shall not be eligible for a credit pursuant to this section if:

1. the new high-wage economic-based job is created due to a business merger or acquisition or other change in business organization;
2. the eligible employee was terminated from employment in New Mexico by another employer involved in the business merger or acquisition or other change in business organization with the taxpayer; and
3. the new high-wage economic-based job is performed by:
 - a. the person who performed the job or its functional equivalent prior to the business merger or acquisition or other change in business organization; or
 - b. a person replacing the person who performed the job or its functional equivalent prior to a business merger or acquisition or other change in business organization.

If, however, a new high-wage economic-based job was created by another employer and for which an application for the high-wage jobs tax credit was received and is under review by the Taxation and Revenue Department prior to the time of the business merger or acquisition or other change in business organization, the employer shall remain eligible for the high-wage jobs tax credit for the balance of the qualifying periods. The new employer that results from a business merger or acquisition or other change in business organization may only claim the high-wage jobs tax credit for the balance of the qualifying period for which the qualifying job is otherwise eligible.

A job shall not be eligible for a 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 unless the job is a new high-wage economic-based job that was not performed by an employee of the replaced entity.

Eligible employee means an individual who is employed in New Mexico by an eligible employer and who is a resident

of New Mexico. Eligible employee **does not** include an individual who:

- a. bears any of the relationships described in Paragraph (1) through (8) of 26 U.S.C. Section 152(a) to the employer or if the employer is a corporation to an individual who owns, directly or indirectly, more than 50% in value of the outstanding stock of the corporation or, if the employer is an entity other than a corporation to an individual who owns, directly or indirectly, more than 50% of the capital and profits interest in the entity;
- b. if the employer is an estate or trust; is a grantor, beneficiary, or fiduciary of the estate or trust; or is an individual who bears any of the relationships described in Paragraphs (1) through (8) of 26 U.S.C. Section 152(a) to a grantor, beneficiary, or fiduciary of the estate or trust;
- c. is a dependent, as that term is described in 26 U.S.C. Section 152(a)(9), of the employer or if the taxpayer is a corporation of an individual who owns, directly or indirectly, more than 50% in value of the outstanding stock of the corporation, or if the employer is an entity other than a corporation, of an individual who owns, directly or indirectly, more than 50% of the capital and profits interest in the entity, or if the employer is an estate or trust of a grantor, beneficiary, or fiduciary of the estate or trust; or
- d. is working or has worked as an employee or as an independent contractor for an entity that, directly or indirectly, owns stock in a corporation of the eligible employer or other interest of the eligible employer that represents 50% or more of the total voting power of that entity or has a value equal to 50% or more of the capital and profits interest in the entity.

Resident means a natural person whose domicile is in New Mexico at the time of hire or within 180 days of the date of hire.

Domicile means the sole place where an individual has a true, fixed, permanent home. It is the place where the individual has a voluntary, fixed habitation of self and family with the intention of making a permanent home.

Qualifying period means the 12 months beginning on the day an eligible employee begins working in a new high-wage economic-based job, or 12 months beginning on the anniversary of the day an eligible employee began working in a new high-wage economic-based job.

Wages means all compensation paid by an eligible employer to an eligible employee through the employer's payroll system, including those wages that the employee elects to

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defer or redirect or the employee's contribution to a 401(k) or cafeteria plan program, but wages does not include benefits or the employer's share of payroll taxes.

Benefits means all remuneration for work performed that is provided to an employee in whole or in part by the employer, other than wages, including insurance programs, health care, medical, dental and vision plans, life insurance, employer contributions to pensions, such as a 401(k), and employer-provided services such as childcare offered by an employer to the employee. Benefits does not include the employer's share of payroll taxes, social security, medicare contributions, federal or state unemployment insurance contributions, or workers' compensation.

Modified combined tax liability means the total liability for the reporting period for the gross receipts tax imposed by Section 7-9-4 NMSA 1978 together with any tax collected

at the same time and in the same manner as the gross receipts tax, such as the compensating tax, the withholding tax, the interstate telecommunications gross receipts tax, and the surcharges imposed by Section 63-9D-5 NMSA 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978, minus the amount of any credit other than the high-wage jobs tax credit applied against any or all of these taxes or surcharges; but modified combined tax liability excludes all amounts collected with respect to local option gross receipts taxes.

Certification for Job Training Incentive Program (JTIP) assistance. If you are certified for JTIP assistance, you may also qualify as an eligible employer for purposes of the high-wage jobs tax credit. For information on becoming certified for JTIP assistance, visit the New Mexico Economic Development Department's web page, www.gonm.biz, or call (800) 374-3061.

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RPD-41376, EMPLOYEE ELIGIBILITY DETAIL REPORT
INSTRUCTIONS**

RPD-41376, *Employee Eligibility Detail Report*, must accompany your submission of RPD-41288, *Application for High-Wage Jobs Tax Credit*, to the New Mexico Taxation and Revenue Department. You can download RPD-41376, *Employee Eligibility Detail Report*, from our website at www.tax.newmexico.gov. Complete all information requested on the form and attach the form to the application along with the other required documents. See the column instructions listed next.

COLUMNS A THROUGH G

You only need to enter the data in columns A through G once. When you enter the employee's last name in column H, subsequent rows self-populate with the information provided in the first row. Make sure the information in these rows matches the information for the eligible employer on RPD-41288, *Application for High-Wage Jobs Tax Credit*.

Column A: Enter the name of the eligible employer.

Column B: Enter employer's New Mexico CRS identification number.

Column C: Enter employer's Federal Employer Identification Number (FEIN).

Column D: Enter **yes** or **no** if the applicant employer sold and delivered more than 50% of its goods produced in New Mexico or non-retail services performed in New Mexico to persons outside New Mexico for use or resale outside New Mexico during the applicable qualifying period, provided that the 50% of those goods or services is measured by the eligible employer's gross receipts.

Column E: Enter **yes** or **no** if the applicant employer is receiving or is eligible to receive development training program assistance pursuant to Section 21-19-8 NMSA 1978.

Column F: Enter **yes** or **no** if the employer has been involved in a merger or acquisition between January 1, 2004 and the date of the application.

Column G: Enter the date RPD-41288, *Application for the High-Wage Jobs Tax Credit*, that included this position, was signed. Use the date format mm/dd/ccyy.

COLUMNS H THROUGH AC

Columns H-J: Enter the name (last name, first name, middle initial) of the employee who is filling the position. If more than one employee occupied the qualifying job during the qualifying period, complete a separate row for each eligible employee.

Column K: Enter the employee's social security number.

Column L: Enter the position title.

Column M: Enter the position number. You can choose any numeric characters, which must remain the same for purposes of reporting this high-wage job. The number must be unique to the position and separate from the employee occupying the position.

Column N: Enter the date the qualifying position was created. Use the date format mm/dd/ccyy. The job must be created on or after 07/01/2004 and prior to 07/01/2020.

Columns O and P: Enter the beginning and ending date of the qualifying period included in this application. Use the date format mm/dd/ccyy. See the definition of **Qualifying period** on page 3.

Column Q: Enter the number of qualified periods previously claimed for this position. The high-wage jobs tax credit is limited to the year the position was created and three consecutive qualifying periods for each job.

Column R: Enter the number of weeks the job was occupied during the qualifying period by the employee filling the position.

Column S: Enter the total number of employees with high-wage positions on the **day prior** to the day the position was created.

Column T: Enter the total number of employees with high-wage positions on the **last day** of the current qualifying period. For each new qualified high-wage job, the number of high-wage jobs must be at least one more than the number of high-wage jobs employed on the day prior to the day the job was created.

Column U: Enter **yes** if the employee was paid \$40,000 or more in taxable wages, the job is created prior to July 1, 2015, and the position was located in one of the areas described in the next section, **Areas For Columns U Through X**, during the qualifying period. Otherwise, enter **no**.

Column V: Enter **yes** if the employee was paid \$28,000 or more in taxable wages, the job is created prior to July 1, 2015, and the position was located in an area in New Mexico other than one of the areas described in the next section, **Areas For Columns U Through X**, during the qualifying period. Otherwise, enter **no**.

Column W: For jobs created on or after July 1, 2015, enter **yes** if the employee was paid \$60,000 or more in taxable wages, and the position was located in one of the areas described in the next section, **Areas For Columns U Through X**, during the qualifying period. Otherwise, enter **no**.

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Column X: For jobs created on or after July 1, 2015, enter **yes** if the employee was paid \$40,000 or more in taxable wages, and the position was located in an area in New Mexico other than one of the areas described in the next section, **Areas For Columns U Through X**, during the qualifying period. Otherwise, enter **no**.

Areas For Columns U Through X

Municipalities with a population of 60,000 ~~thousand~~ or more according to the most recent federal decennial census or a class H county:

- in or within 10 miles of the external boundry of Albuquerque, Las Cruces, Rio Rancho, or the city of Santa Fe, or
- in the county of Los Alamos

Column Y: Enter the gross wages paid during the qualifying period. Do not include benefits paid by the employer or the employer's share of payroll taxes.

Column Z: Enter the **employer paid** benefits paid during the qualifying period. Do not include the employer's share of payroll taxes.

Column AA: Enter the taxable wages and employer paid benefits paid during the qualifying period (the sum of column Y and column Z).

Column AB: Multiply column AA by 10% and enter it.

Column AC: Enter the lesser of column AB or \$12,000. This is the amount of high-wage job tax credit claimed for this position during the qualifying period. If more than one qualified employee occupied this job during this period, adjust the amount so that the total credit claimed for all qualified employees during this period does not exceed \$12,000. (Enter this amount on Line 2 of RPD-41288, *Application for High-Wage Jobs Tax Credit*.)

IMPORTANT: Submit all required documentation along with RPD-41288, *Application for High-Wage Jobs Tax Credit*. The Department may require you to furnish additional documentation to verify eligibility.

COLUMNS AD THROUGH AF

Do not enter any information in columns AD through AF. These columns are for Department use only.