



COALITION FOR CLEAN AFFORDABLE ENERGY
representing 14 New Mexico Environmental, Health and Consumer Groups

SUPPORT SB 277 (Keller)
AMENDMENTS TO SOLAR MARKET DEVELOPMENT
TAX CREDIT ACT

Expands Use & Availability of Solar Technology

New Mexico remains poised to be at the forefront of America’s shift to renewable and sustainable energy. The Solar Market Development Tax Credit Act, enacted in 2006, provides important incentives for small businesses and households to install solar thermal and photovoltaic systems. However, recent changes in federal tax credits have limited the effect of the New Mexico program. This bill will eliminate redundancy caused by the federal tax changes, and allow New Mexicans who install solar technology to benefit from a greater aggregate state and federal tax credit.

SB 277 will:

- **Allow New Mexicans to take full advantage of new federal incentives** while also benefiting from New Mexico’s existing Solar Market Development Tax Credit program. This Bill optimally leverages newly adjusted federal incentives, allowing larger aggregate Federal and State tax credits for solar power.
- **Increase the Solar Tax Incentive to 40% from 30%** for residential and small business solar electricity and heat projects (*aggregate of state and federal credits*).
- **Retain Original Caps on Aggregate and Per Project State Tax Credit Amounts.** The amendments leave in place the caps enacted in 2006, and thus should not create any additional incremental fiscal impact.
- **Maintains Provisions Ensuring Only High Quality Solar Systems Supported:** The state will continue to regulate the components and installation practices for solar equipment very carefully. Solar projects must comply with the original requirements of the Act to qualify for the state tax credit.

BENEFITS:

- **Grow the market for solar power in New Mexico** by allowing greater incentives for small businesses and households to install solar systems.
- **Position New Mexico to benefit from a booming solar energy industry.** By 2025 the global market for new energy technologies will grow to \$180 billion a year.
- **Reduce New Mexico’s reliance on fossil fuels and reduce New Mexico’s greenhouse gas emissions.**

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The Coalition for Clean Affordable Energy is a state-wide advocacy organization whose members include: Center for Advancing Sustainable Architecture, Community Action New Mexico, Environment New Mexico, Natural Resources Defense Council, New Mexico Citizens for Clean Air & Water, New Mexico Conference of Churches, New Mexico Public Interest Research Group, Physicians for Social Responsibility, Regional Development Corporation, Rio Grande Chapter of the Sierra Club, Southwest Energy Alliance, Southwest Energy Efficiency Project, Southwest Research and Information Center, Western Resource Advocates