NEW MEXICO 2025 TAX EXPENDITURE REPORT

TAXATION & REVENUE NEW MEXICO

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TAX ANALYSIS, RESEARCH AND STATISTICS OFFICE

BIODIESEL BLENDING FACILITY TAX
THIRTY PERCENT CREDIT AGAINST GRT AND COMPENSATING TAX

Category: Environment, Conservation & Renewable Energy

Brief Description: A taxpayer who is a rack operator as defined in the Special Fuels Supplier Tax Act, and who owns and installs biodiesel blending equipment at its facility to produce blended biodiesel fuel, may claim a GRT or compensating tax credit. The credit is 30% of the purchase and installation cost of equipment not to exceed $50,000 for the installation of the equipment. The maximum aggregate amount of credits allowed in any tax year is $1 million.

Biodiesel is a renewable and biodegradable fuel derived from agricultural plant oils or animal fat. Blended biodiesel fuel is a diesel fuel that contains at least 2% biodiesel.

The credit is not refundable but may be carried forward for up to four years.

Statutory Basis: 7-9-79.2 NMSA 1978

Intended Purpose: To incentivize the establishment or the expansion of a facility that produces blended biodiesel fuel.

History: Originally enacted in 2007. Repealed in 2025 with an effective date of July 1, 2025.

Evaluation: According to EMNRD's Energy Conservation and Management Division, fewer than three applicants for this credit have received certification. No new claims have been received in the last three years.

Recommendations: None.

Reliability Factor: 1 - This credit is separately reported. No estimation required.

Fiscal Impact: This credit is repealed effective July 1, 2025. This will be the last time this credit is reported on in the annual Tax Expenditure Report.

Biodiesel Blending Facility Thirty Percent Credit Against GRT and Compensating Tax	Fiscal Year	2023	2024	2025
	Claims	0	0	0
	Expenditure (thousands)	$0	$0	$0