

Sustainable Building Tax Credits – HB15

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The SBTC has been an incredibly successful tax credit in the past and has been instrumental in transforming the market for new buildings in New Mexico. Buildings are a leading source of carbon emissions and reducing the energy use in them helps fight climate change, reduces negative community health impacts and reduces operating expenses for homes and businesses.

Now, because our Energy Conservation Building Code was recently updated, it's time to update the SBTC to create a market for even more energy and water efficiencies in new buildings!

Important Note: Without the new 2021 Sustainable Buildings Tax Credit (and the end of the SBTC from 2015) buildings that qualify for the credits will not necessarily exceed the state building code. The new 2021 SBTC must be adopted to keep New Mexico public policy up-to-date and new buildings exceeding the code minimums.

New Homes and Commercial Buildings: Under the 2021 SBTC incentives for new homes and commercial buildings:

- Efficiency requirements increase
- Baseline requirements include broadband access and EV-Readiness
- Extra credits for fully electric buildings
- Extra credits for net zero energy, water and waste homes

These changes “raise the bar” for qualification for the tax credit. Under the next requirements, new homes and commercial buildings will have to be well-above building codes and extremely efficient to claim the tax credit.

Existing Homes and Commercial Buildings: The 2021 SBTC will also provide tax credits for existing buildings and homes:

- Tax credits for installation of:
 - Energy Star heat pumps
 - Energy Star heat pump water heaters
 - Energy Star windows and doors
 - Improved Insulation
 - EV-readiness

Providing tax credits for installation of efficient products in existing homes and small commercial buildings will help average New Mexicans lower their monthly energy burden by lowering their utility bills, help fight climate change by reducing the emissions from operating the building or home and improve community health through reduced health impacts from emissions.

Low-Income Provisions Included: **DOUBLE** credits, that are **refundable**, for low-income New Mexicans or affordable housing.

HB15 Supported by building industry professionals, public health advocates, low-income advocates and environmental groups including: New Mexico Manufactured Housing Association, United States Green Building Council (USGBC), Center for Civic Policy, City of Las Cruces, Coalition of Sustainable Communities New Mexico, New Mexico Interfaith Power & Light, New Mexico Environmental Public Health Network, New Mexico Voices for Children, Policy Solutions Institute, Prosperity Works, Southwest Energy Efficiency Project, Sierra Club, 350 New Mexico, NRDC and WRA.



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