



Save Money on Taxes and Protect Open Space: New Mexico Conservation Income Tax Credits

What are Conservation Tax Credits?

Landowners who permanently preserve their land for agriculture, scenic views or wildlife habitat can generate state income tax credits that can be sold at a discount to other taxpayers under New Mexico law.

How does it work?

If you have New Mexico income tax liability of at least \$10,000, you can save money on your tax bill by purchasing transferable conservation tax credits. You may use conservation tax credits to offset your personal or corporate New Mexico state income taxes. You can purchase tax credits at a discount, often at a savings of 11% to 15% depending on how early you purchase the tax credits.

Conservation income tax credits can be purchased in any amounts starting at \$10,000. Any unused amounts of credits purchased can be carried-forward for a 20 year period. You can buy credits at any time up to December 31st to be used against that tax year. For example, credits to offset 2014 taxes have to be purchased by December 31, 2014.

What are the benefits?

You can save thousands of dollars on your state income tax bill by participating in New Mexico's unique conservation income tax credit program and help preserve New Mexico's enchanting landscape.

What are the Risks?

The risk is very minimal because of New Mexico's three-step administrative review process for landowners to earn tax credits. However, if the credits were challenged at a later date, the state could ask the buyer to pay back the amount of any disallowed credits; it is important to work only with qualified intermediaries who review the files carefully. Before a buyer sees any credits from Tax Credit Connection, Inc., the Energy, Minerals, and Natural Resources Department must certify the eligibility of the credits while the Taxation and Revenue Department must approve the credits. Part of the service Tax

Summary of New Mexico Conservation Tax Credits	
Who can purchase credits?	Any New Mexico Taxpayer
Type of tax that can be offset?	New Mexico Personal or Corporate Income Tax
Transferable?	Yes, 100% transferable, but may only be sold once.
Amounts that can be purchased?	Credits may be purchased in minimum values of \$10,000
Limitations on amount of credits purchased?	None, you can purchase as many credits as you wish.
Carry-Forward Period?	20 years from the year of donation
When can credits be purchased?	Any time up to December 31st for that year's taxes
Benefits?	Save money on your New Mexico tax bill Encourage land conservation
Risks?	New Mexico state review process and Tax Credit Connection, Inc.'s staff review process significantly reduces any risks

Credit Connection, Inc. provides is to determine if there are any apparent problems with the tax credits and either to work with the appropriate professionals to remedy the problems or to reject those credits. In addition, the seller must warrant the validity of the credits and promise to pay back any disallowed credits plus interest, penalties and reasonable attorney and accounting fees. Given all of these safeguards, the buyer has very little risk by purchasing tax credits.

What is the process to purchase tax credits?

1. *Register.* You can find the registration form at Tax Credit Connection, Inc.'s website, which is available at <http://www.taxcreditconnection.com/new-mexico/registration.php>. It is important to register early so you will have a better chance of getting credits by the end of the year. Tax Credit Connection, Inc. sells credits on a first come first serve basis and the earlier you purchase, the more you will save on your tax bill. For example, if you have a \$100,000 state income tax liability, you can purchase \$100,000 worth of tax credits in June for \$86,000 (saving \$14,000). However, if you waited until December, the rate increases to 89% or \$89,000, still saving you \$11,000.
2. *Review of Conservation Tax Credits.* The staff of Tax Credit Connection, Inc. thoroughly reviews all tax credits before selling them, thereby finding and solving problems before they become issues.
3. *Close the Purchase.* Once the amount of conservation tax credits that you need is available, Tax Credit Connection, Inc. will match you with a Seller; sometimes there may be multiple Sellers. It can take only a day to prepare the closing transfer documents between you and the Seller(s). Tax Credit Connection, Inc. will e-mail or mail the transfer documents to you or your representative. You will sign and date the transfer documents and cut the certified checks for the purchase price. You will mail the signed transfer documents along with the certified checks to Tax Credit Connection, Inc. Our staff will complete the transfer of the credits and sales proceeds once we receive the original transfer documents back from you and the Seller.
4. *Completion of the Transfer.* Tax Credit Connection, Inc. will send to you or your representative an original signature copy of the transfer documents for your records after the transfer. Our staff will take care of all of the necessary tax forms and then send the forms directly to your accountant so you can file your New Mexico income tax return.

Why work with Tax Credit Connection, Inc.?

As a qualified intermediary, Tax Credit Connection, Inc. has a strong reputation for transferring conservation tax credits starting in Colorado in 2003. We began working in New Mexico in 2008 when the law changed to allow New Mexico's credits to be transferable. We make purchasing credits simple, easy and fast. Since the founding in 2003, we have transferred \$75 million in tax credits. This resulted in \$60 million in cash for landowners and saved buyers over \$10 million on their taxes.

For more information, please contact:

Tax Credit Connection, Inc. • 303 774 8195 • www.taxcreditconnection.com

Ariel Steele • Owner • ariel@taxcreditconnection.com

Jackson Moller • Sr. Land Protection Specialist • jackson@taxcreditconnection.com

2919 W. 17th Ave., Ste. 201, Longmont, CO 80503

This information is not intended to be legal or financial advice. Please consult your own advisor.