

# It pays to build a green home

## Improvements in state tax credits reward green, energy-efficient construction

Senate Bill 291 dealing with amendments to the New Mexico Sustainable Building Tax Credit (NMSBTC) was passed during the recent legislative session in Santa Fe and signed into law by Gov. Bill Richardson Wednesday, April 1.

New Mexico's tax credit to purchasers of qualified green and efficient homes is administered by the N.M. Energy, Minerals and Natural Resource Department, and is considered one of the most generous tax credits in the nation. The recent changes included in SB 291 enhance incentives for builders and homebuyers by streamlining the certification process and increasing the available tax credits.

New residential construction qualifies for the Sustainable Building Tax Credit through certification within either of two approved green-building programs. The first is Leadership in Energy and Envi-

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ronmental Design (LEED) for Homes, a national green building program administered by the U.S. Green Building Council. The second certifying program is BGNM, which is administered by the Home Builders Association of Central New Mexico.

Qualification requirements of projects under the LEED program are unchanged. BGNM has now adopted use of the new American National Standards Institute accredited National Association of Home Builders (NAHB) 2008 National Green Building Standard. Although similar to the preceding NAHB Model Green Home Building Guidelines, an additional qualifying level has been added (Emerald) and the NMSBTC now allows for higher dollar incentives using the new standard, up from the previous gold level minimum of \$4.50. The state tax credit dollar amounts available for projects certified

under the new NAHB Green Building Standard are now equal to those using the LEED for Homes program.

Updated provisions for field verification within each of the programs are designed to reduce the amount of documentation required by builders and homebuyers. The state tax credits earned can also now be taken by the builder of the home or transferred to the buyer. Not-for-profit builders participating in these projects can benefit from the tax credits by using state allowed tax credit for cash transfers. Individuals not able to use the total state tax credits earned can also exchange credits for cash value.

The tax credit dollar amounts are significant, and in most cases well exceed the costs required to incorporate green and efficient features to participate in the programs. A 3,000-square-foot Silver certified home (LEED or BGNM) will earn \$12,500 in state tax credits. A similar-sized home qualifying at the highest program levels, Platinum or Emerald, will earn \$22,450.

Manufactured homes and commercial construction projects continue to qualify for New Mexico Sustainable Building Tax Credits under provisions of the recent amendments.



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For more information on the NMSBTC or the qualifying programs, visit these websites:

- **New Mexico Sustainable Building Tax Credit**  
[www.emnrd.state.nm.us/ecmd/cleanenergytaxincentives/sustainablebuilding-taxcredit.htm](http://www.emnrd.state.nm.us/ecmd/cleanenergytaxincentives/sustainablebuilding-taxcredit.htm)
- **Build Green New Mexico**  
[www.buildgreennm.com](http://www.buildgreennm.com)
- **LEED for Homes**  
[www.usgbc.org/DisplayPage.aspx?CMSPageID=147](http://www.usgbc.org/DisplayPage.aspx?CMSPageID=147)
- **NAHB Green Building Standard**  
[www.nahbgreen.org/index.aspx](http://www.nahbgreen.org/index.aspx)  
[www.icenergyrate.com](http://www.icenergyrate.com)

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