



## HB 11 Energy Storage System Tax Credit

**Summary:** HB 11 proposes a tax credit of 40% of the cost of equipment and installation for an energy storage system for taxable years prior to January 1, 2025. The credit is for installation on the claimant's agricultural, business, or residential property. The credit is limited to a maximum of \$5,000 per system. Only one credit is allowed for each property. Total annual credits statewide are limited to \$1 million. Approved credits that exceed a taxpayer's tax liability can be carried forward over five years.

### Why Is HB 11 Good for New Mexico?

#### Low-income New Mexicans struggle to pay for their utility costs:

- According to Talk Poverty, 19.7% of New Mexican households live at the poverty level (\$24,860 for a family of four per year), and 27% of children live below the poverty line.
- Census and federal energy data shows that energy expenditures reach 20-50 percent of household incomes in several parts of New Mexico, disproportionately hurting the poor.
- The U.S. Department of Energy estimates that the typical household can save 25% on utility bills with an energy storage system.

**The prohibitive cost of solar and storage system equipment and installation prevents low-income families from participating in NM's efforts to achieve its ambitious climate goals.** And to achieve those goals, the state will need all New Mexicans to be engaged and contributing to meeting those goals. A recent Gridlab report shows that to reach New Mexico's ambitious climate goals, NM would have to the following targets:

- 95% pollution reduction from current levels in the power sector;
- At least 55% of new passenger vehicle sales would be electric;
- 20-30% emissions reductions from commercial and residential buildings.

#### How Would HB 11 address these conditions?

Installing residential solar with storage would significantly reduce residential utility burden while also enabling low-moderate income households to purchase and charge an electric vehicle, significantly reducing the cost of operating their automobile while helping the state achieve its climate goals.

**This bill represents an excellent state investment from a climate justice, economic justice, and a social justice perspective.**

**Building grassroots power to successfully advocate for social, racial, environmental, and economic justice.**

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