



EDD

ECONOMIC
DEVELOPMENT
DEPARTMENT

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Lawmakers Support Tax Credit for Fire Suppression

Bill would help redevelop vacant buildings

Santa Fe, N.M. –An interim committee of the New Mexico Legislature has voted to support an initiative of the Economic Development Department that would make it easier to redevelop old and abandoned buildings in rural downtowns.

The Revenue Stabilization and Tax Policy Committee voted 9 to 4 on Wednesday to endorse the Main Street Fire Suppression Tax Credit, a rebate that can be claimed after property owners install fire suppression equipment in older buildings.

Many of the older buildings in rural MainStreet downtown districts are passed over for redevelopment because of the cost of bringing old construction up to code. This is especially true for fire-suppression equipment, which can cost between \$70,000 and \$160,000 for a typical building.

That often leaves many buildings empty or with vacant upper stories, especially in low-income communities where rental income can't recoup the investment.

“Rural communities face more challenges in developing downtown areas and creating jobs,” Economic Development Department Cabinet Secretary Alicia J. Keyes said. “We are pleased the interim committee has endorsed this initiative as well as our focus on rural New Mexico.”

The new tax credit would apply for up to 50 percent of the cost of fire-suppression equipment and installation. The credit would be capped at \$50,000 per building and only made available to rural MainStreet communities, which are already a catalyst for redevelopment.

The EDD is asking for a one-time appropriation of \$1 million from the 2020 Legislature into a special fund, and credits would be dispersed from that account. The initiative would have to be reevaluated by lawmakers when the fund is depleted.

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The New Mexico Economic Development Department's mission is to improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive.

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