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**State has reached \$12 million statutory cap for solar tax credits for 2022 tax year**

*While 2022 applications are no longer accepted, it is not too early to apply for 2023 credits*

**SANTA FE, NM** – The Energy, Minerals and Natural Resources Department (EMNRD) has issued certificates for the full \$12 million in solar tax credits that were authorized in statute for the 2022 tax year. It is the third consecutive year that the cap has been reached under the popular Solar Market Development Tax Credit Program.

“New Mexico homeowners are showing great enthusiasm when it comes to adopting solar energy, and we think this tax credit program is helping many of them make that decision,” said Louise Martinez, director of the EMNRD’s Energy Conservation and Management Division, which administers the program. “Unfortunately, we received more tax credit applications than we could accommodate with the \$12 million cap.”

That also was the case in the 2020 and 2021 tax years.

The Solar Market Development Tax Credit Program offers a 10% tax credit on solar system installation costs for qualified solar thermal and photovoltaic (PV) systems, up to a maximum of \$6,000.

While there are no more credits available for residents who installed solar systems in 2021 or 2022, the legislature did allocate an additional \$12 million to fund tax credits for the 2023 tax year. That means anyone who installs a qualifying solar system between January 1, 2023, and December 31, 2023, is eligible to receive a tax credit. Given the program’s popularity, EMNRD

urges individuals who install solar systems in 2023 to submit a tax credit application immediately after a successful system inspection rather than waiting for tax filing season.

“It is not unusual for people to wait until they are ready to file their taxes to also apply for the tax credit, and we see a huge influx of applications in the February and March timeframe,” Martinez said. “If you get your tax credit certificate early in 2023, it will still be valid when it is time to file your 2023 taxes next spring.”

A dashboard that displays the current amount of tax credit funding that has been allocated for a given tax year is available [here](#).

Since its 2020 inception, nearly 9,000 New Mexico taxpayers have benefited from the Solar Market Development Tax Credit Program, with the average credit totaling \$3,050. Over that time, the program also has spurred the addition of 73 megawatts (MW) of distributed solar generation to the state’s power grid.

Details on the Solar Market Development Tax Credit—including instructions on how to complete an application— are available on the [EMNRD website](#).

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