RPD-41320
Rev. 04/10/2012

State of New Mexico - Taxation and Revenue Department

ANGEL INVESTMENT CREDIT CLAIM FORM

WHO MUST FILE THIS FORM: For tax years beginning on or after January 1, 2007, a taxpayer who files a New Mexico personal income tax return, who is not a dependent of another individual, is an accredited investor and makes a qualified investment may claim a credit for 25% of the qualifying investment in a high-technology or manufacturing business. For the accredited investor, the maximum amount of investment in a business for which a credit may be allowed is $100,000 per year. Accredited investors are allowed credits for two qualifying investments annually, provided that each investment is in a different qualified business. Any unused angel investment credits may be carried forward for three consecutive years. NOTE: A claim for the credit may not be made or allowed with respect to any investment made before January 1, 2007, or after December 31, 2016.

To qualify, a taxpayer must apply for a certificate of eligibility for the angel investment credit to the New Mexico Economic Development Department (EDD). Applications will be considered in the order received. If EDD determines that the taxpayer is an accredited investor and the investment is a qualified investment, a dated certificate of eligibility will be issued to the taxpayer. For assistance obtaining the certificate of eligibility for the angel investment credit, contact the New Mexico Economic Development Department at (505) 827-0281. See forms and contacts in the instructions.

To claim the credit, submit a completed Form RPD-41320, *Angel Investment Credit Claim Form,* and a copy of the certificate of eligibility to the New Mexico Taxation and Revenue Department (TRD). Important: You must submit the claim form to TRD no later than one year following the end of the calendar year in which the qualified investment was made. When claiming the credit against personal income taxes, attach Form RPD-41320, *Angel Investment Credit Claim Form,* to the New Mexico personal income tax return for the year in which the angel investment credit is taken.

For assistance completing this form or claiming the credit against personal income tax, call the New Mexico Taxation and Revenue Department at (505) 476-3683.

Name of taxpayer	Social security number
Mailing address	Phone number and E-mail address

1. Enter the total amount of the angel investment tax credit allowed *during the tax year of this claim* as certified by EDD. For each credit allowed, enter the certificate number, amount of credit allowed and date of certification in the space below. Also attach a copy of the certificate of eligibility. Enter the sum on line 1. No more than two credits are allowed per tax year.

Certificate number	Amount	Date

2. Enter the total of unused credit from previous claims (from Schedule A).
3. Enter the sum of lines 1 and 2. **This is the total credit available.**
4. If applying the credit against tax due on an attached personal income tax return, enter the amount of line 3 that is applied against this return.

1.	
2.	
3.	
4.	

If mailing this form to claim the credit, mail to New Mexico Taxation and Revenue Department, Attn: ARSB, P.O. Box 630, Santa Fe, New Mexico 87504-0630. If submitting this form with your New Mexico personal income tax return to apply angel investment credit against tax due, mail this form to the address on the personal income tax return.

Under penalty of perjury, I delare I have examined this claim, including accompanying returns, schedules and/or statements, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of Taxpayer or Agent	Title	Date

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Schedule A - Computation of Unused Credit Available for Carry-forward

Attach Schedule A to Form RPD-41320, *Angel Investment Credit Claim Form,* if you have a carry-forward of unused angel investment credit from a certificate of eligibility that has been previously claimed.

Instructions for the Schedule A Worksheet - Computation of Unused Credit Available for Carry-forward.

(a) Date of certificate of eligibility. Enter the issue date from the certificate of eligibility for an angel investment credit that was previously claimed on Form RPD-41320, *Angel Investment Credit Claim Form*. Do not enter a credit if the date of the certificate of eligibility is more than four years older than the tax year of the return to which you wish to claim the credit. Unused angel investment credit may only be carried forward for three years following the tax year that includes the date of the certificate of eligibility received from the New Mexico Economic Development Department.

(b) Certificate number. For each tax credit listed in column (a), enter the certificate number.

(c) Amount of credit. For each tax credit listed in column (a), enter the amount of credit claimed.

(d) Total credit applied to previous returns. For each credit amount listed in column (c), enter the total amount of credit previously applied to personal income tax liabilities.

(e) Unused credit available for carry-forward. Subtract column (d) from column (c) and enter the difference.

If additional space is needed, attach a schedule on a separate page in the same format.

(a) Date of certificate of eligibility	(b) Certificate number	(c) Amount of credit	(d) Total credit applied to previous returns	(e) Unused credit available for carry-forward [(c) - (d)]

TOTAL unused credit available for carry-forward. Enter the sum of column (e). If supplemental pages are attached, enter the sum of column (e) from all pages.

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Instructions

Important: The New Mexico Economic Development Department may not issue a certificate of eligibility for an angel investment credit once the total amount of credit exceeds $750,000 in a calendar year. Credits that were not certified in a calendar year because of this limit may be certified in subsequent calendar years. Applications for credit will be reviewed, and if approved, issued in the order the applications were received.

Applying credit against personal income tax liabilities. The angel investment credit may only be deducted from the taxpayer's personal income tax liability. Any portion of the tax credit that remains unused at the end of the taxpayer's taxable year may be carried forward for three consecutive years. A claim for the credit may not be made or allowed with respect to any investment made before January 1, 2007, or after December 31, 2016.

A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim one-half of the credit that would have been allowed on a joint return.

A taxpayer who otherwise qualifies for and claims a credit for a qualified investment made by a partnership or other business association of which the taxpayer is a member may claim a credit only in proportion to the taxpayer's interest in the partnership or business association. The total credit claimed in the aggregate by all members of the partnership or business association in a taxable year with respect to a qualified investment shall not exceed $25,000.

IMPORTANT DEFINITIONS

Accredited investor means a person who is an accredited investor within the meaning of Rule 501 issued by the federal Securities and Exchange Commission pursuant to the federal Securities Act of 1933, as amended.

Qualified investment means a cash investment in a qualified business for equity, but does not include an investment by a taxpayer if the taxpayer, a member of the taxpayer's immediate family or an entity affiliated with the taxpayer receives compensation from the qualified business in exchange for services provided to the qualified business within one year of investment in the qualified business.

Business means a corporation, general partnership, limited partnership, limited liability company or other similar entity, but excludes an entity that is a government or a non-profit organization designated as such by the federal government or any state.

Qualified business means a business that: (a) maintains its principal place of business in New Mexico; (b) engages in high-technology research or manufacturing activities in New Mexico; (c) is not primarily engaged in or is not primarily organized as any of the following types of businesses: credit or finance services -- including banks, savings and loan associations, credit unions, small local companies or title loan companies; financial brokering or investment; professional services -- including accounting, legal services, engineering and any other services the practice of which requires a license; insurance; real estate; construction or construction contracting; consulting or brokering; mining; wholesale or retail trade; providing utility service -- including water, sewerage, electricity, natural gas, propane or butane; publishing -- including publishing newspapers or other periodicals; broadcasting; or providing internet operating services; (d) has not issued securities registered pursuant to Section 6 of the federal Securities Act of 1933, as amended; has not issued securities traded on a national securities exchange; is not subject to reporting requirements of the federal Securities Exchange Act of 1934, as amended; and is not registered pursuant to the federal Investment Company Act of 1940, as amended, at the time of the investment; (e) has 100 or fewer employees calculated on a full-time-equivalent basis at the time of the investment; and (f) has not had gross revenues in excess of $5,000,000 in any fiscal year ending on or before the date of the investment.

High-technology research means research: (a) that is undertaken for the purpose of discovering information that is technological in nature and the application of which is intended to be useful in the development of a new or improved business component of the qualified business; and (b) substantially all of the activities of which constitute elements of a process or experimentation related to a new or improved function, performance, reliability or quality, but not related to style, taste or cosmetic or seasonal design factors.

Manufacturing means combining or processing components or materials to increase their value for sale in the ordinary course of business, but does not include: (a) construction; (b) farming; (c) processing natural resources, including hydrocarbons; or (d) preparing means for immediate consumption, on- or off-premises.

Forms and contacts:
Forms are available on the New Mexico Economic Development Department web site at www.gonm.biz/, and on the New Mexico Taxation and Revenue Department web site at www.tax.newmexico.gov.

Applications for the certificate of eligibility must be mailed to:

Angel Investment Tax Credit Program
Economic Development Department
1100 So. St. Francis Drive,
Joseph Montoya Building, Suite 1060
Santa Fe, New Mexico 87504