

LEDA LOGRT

(Local Option Gross Receipts Tax for Uses Permitted by the Local Economic Development Act)

Executive Summary

Inside the enabling statute of the voter-approved constitutional amendment allowing local governments to “provide public support for economic development projects” is a provision to generate revenue for that public support (Section 5-10-4b[2] NMSA 1978).

With the approval of its voters, a municipality can enact an increment of one-fourth of one percent (or **25 cents per \$100**), provided the revenue generated by the increment is “dedicated to furthering or implementing economic development plans and projects,” pursuant to LEDA. With the LEDA LOGRT revenue, the municipality can enter into contracts with economic development organizations, for example, “for promotion and administration ... related to the implementation of any such economic development plan adopted by the governing body.”

Estimated Annual LEDA LOGRT Revenue -Tularosa-		
The table seen here demonstrates the capacity-building power of LEDA LOGRT. Using RP-500 reports of the N.M. Taxation and Revenue Department (NMTRD), 12 consecutive months of Tularosa’s taxable receipts were collected, summed, then multiplied by the LEDA LOGRT increment. NMTRD’s David Monteith said this method is consistent with the department’s methods to estimate increment revenue.	Tularosa Taxable Receipts (November 2023-October 2024 Business Activity)	
	January	\$2,555,336.72
	February	4,025,830.79
	March	2,047,376.85
	April	1,625,225.21
	May	3,051,469.46
	June	2,388,469.54
	July	3,071,112.03
	August	3,269,761.40
	September	2,590,221.08
	October	2,950,033.60
	November	3,167,842.95
	December	2,837,739.65
Total	\$33,580,419.28	
LEDA LOGRT Municipal Rate	0.0025	
LEDA LOGRT Revenue	\$83,951.05	

"Public support" includes the provision of:

- Land, buildings or other infrastructure
- New broadband infrastructure that does not serve a public facility
- Public-works improvements essential to the location or expansion of a qualifying entity **(THINK SITE READINESS)**
- Direct loans or grants for land, buildings or infrastructure
- Technical assistance to cultural facilities
- Loan guarantees securing the cost of land, buildings or infrastructure
- Grants for public-works infrastructure improvements essential to the location or expansion of a qualifying entity **(THINK SITE READINESS)**
- Grants or subsidies to cultural facilities
- Land for a publicly held industrial park **(THINK SITE READINESS)**
- Land for a publicly owned cultural facility
- Construction of a building for use by a qualifying entity

"Qualifying entities" are:

- Those that manufacture, process or assemble manufactured products or agricultural products
- Commercial enterprises for storing, warehousing, distributing or selling products of agriculture, mining or industry
- Restaurants and lodgers
- Indian nations, tribes or pueblos or federally chartered tribal corporations
- Telecommunications sales enterprises
- Facilities for farmers’ markets
- Metropolitan redevelopment project developers
- Cultural facilities
- Retail businesses
 - in municipalities with populations of 15,000 or less; or
 - in municipalities with populations of more than 15,000 if the project does not receive state backing; or
 - in a county’s unincorporated area

Mark Roper, of the N.M. Economic Development Department, said that a jurisdiction’s ordinance must specify that voters want to include arts and cultural facilities and retail as permissible LEDA LOGRT uses.