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Manufacturing

New Mexico offers array of incentives to boost manufacturing sector



Rob Black, secretary of the New Mexico Economic Development Department, shares what the state is doing to attract and keep manufacturing companies and jobs.

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Manufacturing is one of New Mexico's nine key sectors as part of the state's economic strategic plan with companies like Intel and Jabil Inc. calling the state home.

New Mexico has just under 29,000 jobs in manufacturing and 1,578 manufacturing companies in the state, according to state Economic Development Department Secretary Rob Black.

But Lightcast, a national subscription database for labor analytics, shows that the national average for an area the size of New Mexico is around 71,787 employees.

So, what is the state doing to help incentivize manufactures to come to the Land of Enchantment – and stay here?

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Programs and incentives

New Mexico currently ranks fifth in the U.S. for job growth in the manufacturing sector and has increased over two percent in the past year, according to Black.

Some of the programs and incentives that New Mexico and its Economic Development Department use to keep and attract employers into the state includes:

- Industrial Revenue Bond: a tax-exempt debt obligation issued by a municipality to help finance major industrial projects.
- [Job Training Incentive Program](#): helps train and educate employees, as well as pay 50% to 90% of their hiring and training expenditures.
- Workforce Innovation and Opportunity Act: a federal program that provides financial incentives to employers for hiring individuals and training existing employees.
- High Wage Jobs Tax Credit: provides businesses with a tax credit that is equal to 8.5% the value of salaries for jobs with wages of at least \$60,000 a year.
- Manufacturing Investment Tax Credit: a tax credit that is equal to 5% the value of equipment and property used exclusively in a manufacturing operation.
- Rural Jobs Tax Credit: a 6.25% credit on the first \$16,000 of wages paid for qualifying jobs in rural areas.
- Local Economic Development Act: allows for local governments to provide financial resources to attract or support private sector economic business projects.

“Workforce training programs and organizations are one of the most critical components needed for attracting new company investment and facilities,” Danielle Casey, president and CEO of the Albuquerque Regional Economic Alliance or AREA said in an emailed statement.

[AREA is a 501\(c\)\(3\)](#) that leads and executes strategies that grow and diversify the economic base of the greater Albuquerque region.

Regional Advantages

New Mexico also leverages its logistics with three major highways – I-40, I-25 and I-10 – and its position close to the border.

“We have tremendous logistical advantages at the intersection of I-25 and I-40, highly competitive incentives. Creative new strategies such as the vision for the

I-40 Trade Port corridor have the opportunity to dramatically advance our competitive position and assets available,” Casey said in an emailed statement.

The I-40 Trade Port corridor is a federal project that plans to create a supply chain system across 805 miles, from the Port of Los Angeles to Albuquerque. This project gained over [\\$15 million in grants](#) late last year.

[The Borderplex](#) near the U.S-Mexico border is also a major point of trade. The Santa Teresa point of entry is the sixth highest land port in total trade across the U.S.

“If you look at the rail infrastructure, we have with Union Pacific and BNSF Rail with easy connectivity into Mexico, we are uniquely positioned logistically to support manufacturing infrastructure,” Black said.

The Land of Enchantment is also home to two Foreign Trade Zones, one in Albuquerque and one In Doña Ana County.

Foreign Trade Zones are an area that is considered outside of the U.S. Customs territory. This means that imported goods can skip the border screening process and not be affected by tariffs assigned at other ports of entry, like the Long Beach Port of Entry.

Once goods are in these zones businesses can move them to U.S. market then pay the tariffs on them or import multiple parts and only pay tariffs on the final product.

It's still too early to tell how the new tariffs, announced on April 2, will affect these trade zones, according to the Economic Development Department.

Site Readiness

One major reason why manufacturers would skip out on New Mexico was addressed in this year's legislative session.

Senate Bill 169, or the [Strategic Economic Development and Site Readiness bill](#) and Senate Bill 170, which is a companion bill to Senate Bill 169 in the legislative session, were both priorities by the EDD in this year's session.

Both bills passed in this year's session, as of writing the bills have not been signed by New Mexico Governor Michelle Lujan Grisham. New Mexico's Governor did back these bills as they went through the roundhouse in March.

“One of the challenges we’ve had over the years is not having enough development-ready sites, a manufacturer would say ‘we need to be up and running in 18 months’ and we would say ‘we’re not ready, it may take three to four years,’” Black said.

Senate Bill 169 creates a Strategic Economic Development Site Advisory Committee, which would recommend economic development sites where early investment would enhance site readiness for immediate development.

It also establishes the Site-Readiness Fund with a \$24 million appropriation.

While Senate Bill 170 will allow for utility infrastructure to be pre-deployed to sites, even before a company is identified.

Education

The EDD also partners with the state's community colleges like [Central New Mexico Community College](#) and [Doña Ana Community College](#). Then work with employers to create class curriculums.

“There is a significant number of resources that the state has moved over the last three to four years to support these technical training programs and align

our workforce with the needs our state has in manufacturing,” Black said.

Some of career technical education classes include welding, broadband, splicing and HVAC.

THE LIST

Manufacturing Companies

Full-time NM employees

Rank	Prior Rank	Business name/Prior rank
1	1	Intel Corp.
2	2	Vitality Works
3	3	Miller Bonded Inc.
View This List		