

TAX INCREMENT FINANCING

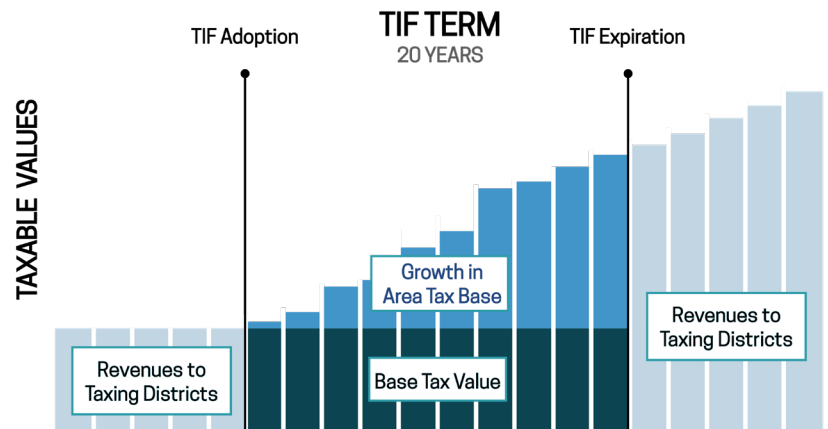
TIF

A POWERFUL TOOL FOR REVITALIZING OUR COMMUNITY

What is TIF?

Tax Increment Financing (TIF) is a strategic financial tool used by local governments, such as the City of Albuquerque, to encourage new development in areas that need it most.

A TIF district is a defined area in which a portion of the natural growth in property tax revenue and gross receipts tax (GRT) revenue can be reinvested directly into the area from which it was generated.



- The "Base Tax Value" of property tax and gross receipts tax revenue is distributed to the City, County, State, and other districts (like schools) as normal.
- Local governments can dedicate up to 75% of the "Growth in Area Tax Base" revenues to the Redevelopment Fund that will invest those funds in the MR Area they came from.
- After 20 years, 100% of the tax revenues will be distributed to the local jurisdictions and the State, as before.

no tax increases



TIF districts do not raise taxes for property owners or businesses.

reinvestment in the district



Up to 75% of the yearly tax increment can be dedicated to the Metropolitan Redevelopment Fund to support projects within the TIF district.

The baseline tax revenue and at least 25% of the yearly tax increment remain available to the City, County, and State.

no negative impact on essential services



Public schools (APS), flood control (AMAFCA), and other special districts continue to collect at their regular tax rate.

These entities benefit from the overall growth in the tax base.

TIF benefits everyone



By investing in redevelopment areas, TIF stimulates economic growth, enhances infrastructure, and expands the tax base, benefiting everyone in the community.

Why now?

2025 legislation allows TIF districts to be created across entire Metropolitan Redevelopment Areas with approved plans, including gross receipts tax (GRT) revenue, in addition to property tax. This change significantly increases potential TIF revenue, enabling larger-scale redevelopment projects.

TIF districts now offer a reliable, sustainable funding source for up to 20 years. As the tax base grows, TIF revenue will also grow, with some districts projected to generate over \$50 million for reinvestment directly into the community.