

NOTE: ELECTRONIC FILERS

For the 2014 tax year: **BOTH FILE AND PAY**
your New Mexico Personal Income Tax on the Internet to
EXTEND YOUR DUE DATE to April 30, 2015.

Taxpayers who do not both file and pay electronically
MUST FILE BY APRIL 15, 2015.

Your Internet Services

- ◆ **Where's my Refund** - The status of your refund is available electronically through the Department's website, at www.tax.newmexico.gov. Select "Where's My Refund" or follow the links to Taxpayer Access Point (TAP). You will need your social security number and the amount of refund due.
- ◆ **Electronic Filing** - The Department encourages all taxpayers to file electronically whenever possible. Electronic filing is safe and secure and provides the fastest service for a refund due. Access our website to file over the Internet at no charge (except for payments made by credit card), or file electronically through your tax preparer or approved software on a personal computer. **See Page 7** of the instructions for electronic filing methods, or visit the Department website, www.tax.newmexico.gov. Click on "Online Services" and follow the links to Personal Income Tax E-filing.
- ◆ **Direct Deposit** - Taxpayers due a refund may have their refunds deposited directly into their bank accounts through "Refund Express." **See Page 34.**
- ◆ **Pay via credit card or electronic check** - Taxpayers may pay taxes over the Internet with Visa, MasterCard, American Express or Discover cards. A 2.40% convenience fee calculated on the amount of the transaction covers costs that the companies bill the state when you use your card. **You may also pay by electronic check at no charge.** An electronic check authorizes TRD to debit your checking account in the amount and on the date you specify. **See Page 14.**
- ◆ **Download forms, publications and brochures or ask a question** - Taxpayers may access forms, publications and brochures from our website. You can ask questions about your New Mexico tax return by using the e-mail address TRD-TaxReturnHelp@state.nm.us, or ask general questions about New Mexico taxes using the e-mail address policy.office@state.nm.us.
- ◆ **New Mexico Taxpayer Access Point: TAP is a secure resource that allows taxpayers to check the status of tax accounts online, file certain tax returns, make payments, and change their address.** Access our website and select the Taxpayer Access Point (TAP) link. This resource is currently available for the following tax programs: Personal Income Tax (PIT), Corporate Income and Franchise Tax (GIT), Pass Through Entity (PTE), S Corporate Income and Franchise Tax (S-Corp), Combined Reporting System (CRS), E911 Services Surcharge (911), Combined Fuel Tax (CFT), Cigarette Tax (CIG), Fiduciary Income Tax (FID), Bingo and Raffle Tax (BRT), Conservation Tax (CNS), Gaming Operator Tax (GMO), Gaming MFG and Distributor Tax (GMD), Water Conservation Fee (H2O), OGP Withholding Tax (OGP), Local Liquor Excise Tax (LLQ), Liquor Excise Tax (LIQ), Resource Excise Tax (RES), Severance Tax (SEV), Alternative Fuels Excise Tax (AFD), Tobacco Products Tax (TPT), Telecommunications Relay Service Surcharge (TRS), Weight Distance Tax (WDT), and Workers' Compensation Fee (WKC). **The status of your refund is available through the "Where is my Refund" link** -- for PIT, CIT, S-Corp and CRS tax programs. You will need your social security number (SSN), Federal Employer Identification Number (FEIN), or CRS Identification number and the amount of refund due.

For a **Faster Refund** file on the Internet

Local Taxation and Revenue Department Offices: Local tax offices can provide full service and information about New Mexico's taxes, programs and forms and specific information about your filing situation. If you have questions or require additional information, you may contact your local Taxation and Revenue Department Office.

ALBUQUERQUE:

Taxation & Revenue Department
Bank of the West Building
5301 Central Ave., NE
P.O. Box 8485
Albuquerque, NM 87198-8485
Telephone: **(505) 841-6200**

FARMINGTON:

Taxation & Revenue Department
3501 E. Main Street, Suite N
P.O. Box 479
Farmington, NM 87499-0479
Telephone: **(505) 325-5049**

LAS CRUCES:

Taxation & Revenue Department
2540 S. El Paseo, Building #2
P.O. Box 607
Las Cruces, NM 88004-0607
Telephone: **(575) 524-6225**

ROSWELL:

Taxation & Revenue Department
400 North Pennsylvania, Suite 200
P.O. Box 1557
Roswell, NM 88202-1557
Telephone: **(575) 624-6065**

SANTA FE:

Taxation & Revenue Department
1200 South St. Francis Drive
P.O. Box 5374
Santa Fe, NM 87502-5374
Telephone: **(505) 827-0951**

Main switchboard (Santa Fe): (505) 827-0700

Forms, instructions and general information brochures are available on the Department's Internet home page.

**Our address is:
www.tax.newmexico.gov**

The Status of Your Refund is Now Available Electronically through the Department's website. Go to www.tax.newmexico.gov, click **Online Services**, and then in the center of the page, click **check the status of a tax refund**. You need your social security number(s) and the amount of refund due to see your status.

If you need to call to ask where your refund check is, please wait until sufficient time has passed for the Department to process your refund claim before calling. When you call or visit us on the web, please have a copy of your tax return available.

When to Call About Your Refund. Generally, electronically filed returns claiming a refund are processed within two to four weeks. A paper return received in the Department early in the tax season takes six to eight weeks. If you file a paper return after March 15, you may not receive your refund for up to 12 weeks. Before inquiring about your refund, please allow sufficient time for the Department to process your refund claim.

NEW MEXICO GROSS RECEIPTS TAX

IF YOU ARE SELF-EMPLOYED, RUN A BUSINESS OUT OF YOUR HOME, OR WORK FOR SOMEONE ELSE BUT DO NOT HAVE WAGE TAXES WITHHELD, you may be required to register with the Department for gross receipts tax. Businesses that sell or lease goods and other tangible property or perform services in New Mexico may be subject to New Mexico gross receipts tax. All businesses having a gross receipts tax reporting obligation must register with the New Mexico Taxation and Revenue Department to obtain a tax identification number, tax reporting forms and instructions. For more information please contact your local Taxation and Revenue Office.

Privacy Notification

The New Mexico Taxation and Revenue Department requires taxpayers to furnish social security numbers as a means of taxpayer identification. All information supplied electronically by taxpayers is protected using encryption and fire walls. Taxpayer information on returns is protected in accordance with the confidentiality provisions of the Tax Administration Act (Section 7-1-8, NMSA 1978).

www.tax.newmexico.gov

Legislative Changes

- For tax years beginning on or after January 1, 2013, the Income Tax Act has been amended to allow the net operating loss (NOL) carryover for nineteen years after the tax year to which the exclusion first applies. (2014 Legislative Session, Senate Bill 106)
- For tax years beginning on or after January 1, 2014, a taxpayer whose principal business activity is "manufacturing" (as defined in Section 7-4-10 NMSA 1978) may elect to have their business income apportioned to New Mexico using a single weighted sales factor, phased-in over a period of five years. (2013 Legislative Session, House Bill 641)

For a complete list of tax law changes enacted during 2014, see Publication [B-100.26, Legislative Summary: 2014](#).

Tax Rebates and Credits Available to Qualifying Low-income Filers

- ◆ Taxpayers not required to file a federal tax return with the IRS also are not required to file a New Mexico Personal Income Tax return, BUT they may want to do so to claim certain rebates and credits for low-income filers. You may also want to review Schedule PIT-RC and instructions to determine whether you qualify for *any* of the low-income rebates and credits that may be claimed on that schedule. You may also refer to [Brochure #2, Tax Information for New Mexico's Low-Income Filers](#), on the Department web page, www.tax.newmexico.gov. Search for Brochure #2.
- ◆ **Earned Income Tax Credit (EITC)** - You may be eligible for an Earned Income Tax Credit (EITC) from the Internal Revenue Service (IRS) if you are a low-income working individual or family. The EITC reduces your federal tax and may result in a refund from the IRS. To see if you may claim the credit, read the rules in the federal 1040, 1040A, and 1040EZ tax packages or see IRS Publication 596. You may also read about the EITC on the IRS website at www.irs.gov and download the publication there.
- ◆ **Working Families Tax Credit** - A resident who was a New Mexico resident during any part of 2014 and who files a New Mexico personal income tax return may claim a credit in an amount equal to ten percent of the Federal EITC for which that individual is eligible for the same tax year. An individual who qualifies for the working families tax credit may receive a refund if the credit exceeds the income tax liability for the tax year of the claim.
- ◆ **Low-Income Comprehensive Tax Rebate** - Residents of New Mexico who have been physically present in New Mexico for at least six months during the 2014 tax year and whose modified gross income is \$22,000 or less may claim the low-income comprehensive tax rebate. NOTE: You cannot claim this rebate if you were eligible to be claimed as a dependent of another taxpayer for 2014, or you were an inmate of a public institution for more than six months during 2014.
- ◆ **Low- and Middle-Income Tax Deduction** - A personal income tax exemption is offered for low- and middle-income taxpayers. The maximum is \$2,500 for each person claimed as an exemption. The amount varies according to filing status and federal adjusted gross income. Single persons qualify for the exemption when federal adjusted gross income is \$36,667 or less; married persons filing joint returns, surviving spouses and head of household filers qualify when federal adjusted gross income is \$55,000 or less, and married persons filing separate qualify when federal adjusted gross income is \$27,500 or less.
- ◆ **Child Day Care Credit** - New Mexico residents who have a modified gross income of \$30,160 or less, may claim a credit (which may not exceed \$1,200) for expenses for dependent child day care necessary to enable gainful employment. The claimant, and spouse if applicable, must be gainfully employed for that part of the tax year for which the credit is claimed, not be a recipient of public assistance under the Temporary Assistance for Needy Families program (TANF), the New Mexico Works Act or similar program for that part of the tax year for which the credit is claimed, and not have been reimbursed or compensated for the expenses in any way. Other restrictions apply to both the claimant and the caregiver. See the instructions.
- ◆ **Property Tax Rebate** - New Mexico residents age 65 and older, who have a modified gross income of \$16,000 or less, may qualify for the property tax rebate. The property tax rebate helps with tax billed or rent paid on your principal place of residence. The property tax rebate may not exceed \$250 (\$125 for a married taxpayer filing a separate return). The taxpayer must be physically present in New Mexico for at least 6 months during 2014, and neither eligible to be claimed, nor actually claimed, as a dependent of another taxpayer for 2014, and was not an inmate for more than 6 months during 2014.
- ◆ **Property Tax Rebate for Low-Income Residents of Los Alamos or Santa Fe Counties** - A resident whose principal place of residence is in Los Alamos or Santa Fe County only; has a modified gross income of \$24,000 or less; was a resident of New Mexico during 2014; was physically present in New Mexico for at least 6 months during 2014; is neither eligible to be claimed, nor actually claimed, as a dependent of another taxpayer for 2014; and was not an inmate of a public institution for more than 6 months during 2014, may qualify for this rebate. NOTE: The property tax rebate may not exceed \$350 (\$175 for a married taxpayer filing a separate return).

TAXATION AND REVENUE DEPARTMENT
P.O. BOX 25122
Santa Fe, NM 87504-5122

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Many Happy Returns when you E-File Your Taxes!

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Fast . . . Easy . . . Secure!

**A MESSAGE FROM CABINET SECRETARY DEMESIA PADILLA, CPA
NEW MEXICO TAXATION AND REVENUE DEPARTMENT:**

I want to encourage all New Mexicans to file their tax returns online -- not only will you receive your refund check faster (usually within two weeks) -- we can also deposit your refund check directly into your personal checking or savings account. E-filing is fast and secure. If speed and convenience isn't enough, you have until April 30, 2015 to e-file your tax return when you also electronically pay your tax. Take advantage of this free and easy service and file your taxes online today by logging on to our website at www.tax.newmexico.gov.

If you don't have access to a home computer or need help filing your tax return, please visit your local Taxation and Revenue office.

MANY HAPPY RETURNS!

www.tax.newmexico.gov

INSTRUCTIONS FOR 2014 PIT-1 NEW MEXICO PERSONAL INCOME TAX RETURN

CONTACTING THE DEPARTMENT

Forms and Instructions

You can find personal income tax (PIT) forms and instructions on our website at www.tax.newmexico.gov. At the top of the page, click **FORMS & PUBLICATIONS**.

Online Services

Taxpayer Access Point (TAP) is a secure online resource that lets you:

- See information about your return, payment, and refund
- Pay existing tax liabilities online
- Check the status of a refund
- Change your contact information
- Register a business

TAP lets you access 13 tax programs, including the personal income tax (PIT) and gross receipts tax programs.

To open TAP, go to <https://tap.state.nm.us>.

Email Contacts

The Taxation and Revenue Department provides several email contacts for you.

To send an email on a specific tax topic directly to the Department's specialists for that topic, go to www.tax.newmexico.gov. At the top right of the page, click **CONTACT US**.

Email questions about your in-progress PIT return, the instructions, a return you already submitted, or your refund to TRD-TaxReturnHelp@state.nm.us.

For general questions about New Mexico taxes, send email to policy.office@state.nm.us.

Phone Contacts

For tax information and forms, and general help with filing your return, call (505) 827-0827 or contact your local district office listed at the front of this packet. The toll free number is (866) 809-2335, option 3.

To order forms, call (505) 827-2206.

Mailing Address

If you want to write us about your return or to order forms, please address your letter to:

Personal Income Tax Correspondence
Taxation and Revenue Department
P. O. Box 25122
Santa Fe, NM 87504-5122

If you write us for information or to order forms after April 1, do not expect to receive the forms or a response before the due date of the PIT-1.

Other Places That Offer Help

Besides the Department district offices that can offer general assistance

with taxes and filing your return, help preparing your tax return may be available from:

- Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE). Volunteers give free or low-cost help to low income, elderly, and disabled individuals. Watch for VITA and TCE information in your community to find the location nearest you.
- Some senior citizens' centers. Contact the center for dates and times.
- Some social service agencies. They either provide help or direct you to other free or low-cost tax preparation assistance programs.
- Software preparation services or a tax preparer.

For more information about tax help for senior citizens and low-income filers, please visit www.tax.newmexico.gov. At the top of the page, click **FORMS & PUBLICATIONS**, click the **Publications** arrow to display the list, and then click the **Brochures** arrow.

- For the senior citizen brochure, click **Brochure #1**.
- For the low-income brochure, click **Brochure #2**.

How To Check the Status of Your Refund

You can see the status of your refund online. Go to the Department website at www.tax.newmexico.gov. Near the center of the page, click **Where is my refund?** Then enter your ID (social security number) and refund amount to see the status.

When To Call About Your Refund

Before calling about your refund, please allow time for the Department to process your refund claim. Generally, electronically filed returns claiming a refund are processed in two to four weeks. A paper return received in the Department early in the tax season takes six to eight weeks to process. If you file a paper return after March 15, you may not receive your refund for up to 12 weeks.

What You Need

When you call or visit us on the web, make sure to have a copy of your tax return and related information.

GENERAL INFORMATION

WHO MUST FILE

WHO MUST FILE A PIT-1 RETURN

New Mexico's law says every person who meets **both** the following conditions must file a PIT-1:

- Every person who is a New Mexico resident or has income from New Mexico sources.
- Every person who is required to file a federal income tax return.

This section covers the following:

- New Mexico Residents
- Non-Residents
- Military Servicemembers
- General Information About Military Servicemembers' Spouses
- Non-resident Military Spouse Who Lives in New Mexico
- Resident Military Spouse Who Lives in Another State
- Members of Indian Nations, Tribes, or Pueblos

New Mexico Residents

If you are a New Mexico resident, you must file a New Mexico return if you meet **any** of the following conditions:

- You are required to file a federal return.
- You want to claim a refund of any New Mexico state income tax withheld from your pay.
- You want to claim any New Mexico rebates or credits.

Non-Residents

If you are a non-resident, including a foreign national or a person who resides in a state without income taxes, you must file in New Mexico when **both** the following are true:

- You are required to file a federal return.
- You have income from any New Mexico source whatsoever.

Military Servicemembers

If you are a member of the United States Armed Forces, your income may be taxable to New Mexico and you must file a resident return if **both** the following are true:

- You were a resident of New Mexico

at the time of enlistment.

- You have not changed your legal residence for purposes of withholding state income tax from military pay.

NOTE: Military servicemembers may claim a deduction for military active duty pay included in federal adjusted gross income.

If your permanent home (domicile) was in New Mexico when you entered the military, and you kept New Mexico as your legal residence for state withholding tax purposes, you are still a New Mexico resident. Even if you are presently serving outside New Mexico, you must file a New Mexico resident return.

If your permanent home (domicile) was in New Mexico when you entered the military, but you have established domicile in another state and changed your legal residence for withholding state income tax, your military pay is not subject to New Mexico income tax.

If you are an enrolled member of an Indian nation, tribe, or pueblo, your military pay is exempt when your home of record is on the lands of that Indian nation, tribe, or pueblo and the legal residence for state withholding tax purposes has not been changed.

If you are a non-resident, a USPHS servicemember, and you earned income in New Mexico for USPHS active duty, your pay is exempt from New Mexico taxes.

General Information About Military Servicemembers' Spouses

Beginning with tax year 2009, the Military Spouses Residency Relief Act allows military servicemembers' spouses, who move to a state solely to join their spouses who are in that state because of military orders, to keep the residency status of their state of domicile.

When this is the case, servicemembers' spouses may allocate to their state of residence their non-military

wages, salaries, tips, and other income from services performed, even if the income was earned in another state.

The following restrictions apply to servicemembers and their spouses:

- Servicemembers must have declared "legal residence for purposes of withholding state income taxes from military pay" in the other state.
- Servicemembers must be in the state in compliance with military orders.
- Servicemembers' spouses must be in the state solely to be with their spouses.

NOTE: Non-resident servicemembers must continue to allocate non-military income from services performed to the state where the income was earned.

Non-resident Military Spouse Who Lives in New Mexico

If you are a non-resident of New Mexico who is a qualifying servicemember's spouse living in New Mexico, complete a New Mexico PIT-1 as a non-resident taxpayer and allocate on Schedule PIT-B income from services performed in New Mexico to your state of residence.

A military servicemember's spouse eligible to claim an exempt New Mexico withholding status, based on the Military Spouses Residency Relief Act, must annually submit Form RPD-41348, *Military Spouse Withholding Tax Exemption Statement*, to the employer or payor responsible for withholding New Mexico tax.

Keep a copy of RPD-41348, signed by the employer or payor, in your tax records. Your employer or payor must sign a new RPD-41348:

- Annually or
- When your spouse's situation changes

Do not submit RPD-41348 with your PIT-1 unless the Department requests

a copy.

Resident Military Spouse Who Lives in Another State

If you are a resident of New Mexico who is a qualifying servicemember's spouse living in another state, complete PIT-1 as a resident taxpayer and allocate wages, salaries, tips, and other income from services performed on Schedule PIT-B, as if from New Mexico sources. Do this even if the income was earned in another state.

For details, see *Guidance for New Mexico Resident Military Spouses Claiming Relief From Another State's Income and Withholding Tax Requirements*. This guide for RPD-41348, *Military Spouse Withholding Tax Exemption Statement*, is available at www.tax.newmexico.gov. At the top of the page, click **FORMS & PUBLICATIONS** and expand the folders, Income Taxes, Personal Income Tax, and Other Personal Income Tax Related Forms.

If you are a part-year or first-year New Mexico resident who is a qualifying servicemember's spouse, allocate income from services performed in New Mexico to New Mexico during periods when you were a resident of New Mexico.

Members of Indian Nations, Tribes, or Pueblos

The income of Indians who worked or lived on lands outside the Indian nations, tribes, or pueblos of which they are members is subject to New Mexico personal income tax.

You do not need to file a New Mexico income tax return if **both** the following are true:

- You are an enrolled member of an Indian nation, tribe, or pueblo who lived on the lands of the Indian nation, tribe, or pueblo where you are member.
- Your entire income was earned from work on those lands.

If you are a spouse or dependent of an enrolled member and you live and work within the boundaries of the

member's nation, tribe, or pueblo, your income is also exempt.

Lands include formal and informal reservations, dependent Indian communities, and Indian allotments, whether restricted or held in trust by the United States.

Military Pay. If you are an enrolled member of an Indian nation, tribe, or pueblo who is a servicemember, your military pay is exempt when **both** the following are true:

- Your home of record is on the lands of that Indian nation, tribe, or pueblo.
- Your legal residence for state withholding tax purposes has not been changed.

Retirement or Pension. If you are an enrolled member who lives within the boundaries of your nation, tribe, or pueblo, and your retirement or pension is the result of employment on your Indian nation, tribe, or pueblo, your retirement or pension income is exempt.

You may not exempt retirement or pension income from employment off the lands of the nation, tribe, or pueblo.

DEFINITIONS

This section gives you definitions of the following terms:

- Domicile
- Resident
- First-Year Resident
- Part-Year Resident
- Non-Resident

For most taxpayers, your resident status for income tax purposes depends on:

- Where you were domiciled during the tax year
- Whether you were physically present in New Mexico for a total of 185 days or more during the tax year

Definition of Domicile

Your domicile is the place you intend as your permanent home. It is the **state** where your permanent home

is located and where you intend to return whenever you are away (as on vacation, business assignment, educational leave, or military assignment).

IMPORTANT: You can have only one domicile.

Your New Mexico domicile is not changed until you can show that you have abandoned it and established a new domicile outside New Mexico.

A change of domicile must be **clear and convincing**. Easily controlled factors are **not** the primary factors to consider when deciding where you are domiciled.

If you move to a new location but intend to stay there only for a limited time (no matter how long), your domicile does not change. If your domicile is New Mexico and you go to a foreign country for a business or work assignment, or for study, research, or any other purpose, your domicile does not change unless you show that you definitely do not intend to return to New Mexico.

Definition of Resident

For purposes of the Income Tax Act, you are a New Mexico resident if **either** of the following are true:

- Your domicile was in New Mexico for the entire year
- or**
- You were physically present in New Mexico for a total of 185 days or more during the tax year, regardless of your domicile.

NOTE: If you moved to New Mexico during 2014 with the intent of making New Mexico your permanent place of residence, see *Definition of First-Year Resident* on the next page.

Residents include persons temporarily residing in New Mexico who plan to return to their out-of-state residence and who are physically present in New Mexico for 185 days or more. Some examples are students, people vacationing in New Mexico, and those temporarily assigned to work in New Mexico.

To determine whether you were physically present in New Mexico for a total of 185 days, count each day you were here for 24 hours.

For example, you reside in Texas but work in New Mexico and you were physically present in New Mexico for 185 partial days during the tax year. Because you were not here for 24 hours on any day, you are not a resident for New Mexico income tax purposes.

NOTE: The 185 days do not have to be consecutive.

If you are a military servicemember temporarily assigned to New Mexico and you established legal residence for purposes of income tax withholding **outside** New Mexico, you are not a resident.

If you are a spouse who accompanies the military servicemember to New Mexico, does not qualify under the Military Spouses Residency Relief Act, and is physically present in New Mexico for 185 days or more, you must report as a resident of New Mexico, regardless of domicile.

Definition of First-Year Resident

You are a first-year resident if **both** the following are true:

- You moved to New Mexico during 2014 with the intent of making New Mexico your permanent place of residence.
- You are still in New Mexico on December 31, 2014.

You need not have been physically present in New Mexico for at least 185 days.

If you are a former New Mexico resident who returned to New Mexico and you were a non-resident for at least one full tax year, you may file as a first-year resident.

First-year residents who change domicile during the year are not residents of New Mexico for income tax purposes for periods when the taxpayer's domicile is outside New Mexico.

Definition of Part-Year Resident

You are a New Mexico part-year resident if you meet **all** of these conditions:

- You were a New Mexico resident for part of the year.
- You were not physically present in New Mexico for 185 days or more.
- On December 31, you were no longer domiciled in New Mexico and you had moved to another state, intending to maintain domicile status in that other state.

Part-year residents who change domicile during the year are not residents of New Mexico for income tax purposes for periods when the taxpayer's domicile is outside New Mexico.

For example, if you moved to New Mexico during the tax year, intending to make New Mexico your permanent place of residence, your income is taxed as non-resident for the period before your move to New Mexico. Additionally, if you were a New Mexico resident for fewer than 185 days during the tax year, and before December 31 you moved to another state, intending to maintain domicile status in that other state, your income is non-resident income for periods after your move.

Definition of Non-Resident

You are a New Mexico non-resident if you were not domiciled in New Mexico for any part of the tax year **and** you were not physically present in New Mexico for at least 185 days.

Military servicemembers and their qualifying spouses who are temporarily assigned to New Mexico, but who have established residence in another state, are non-residents.

NOTE: Except for certain military servicemembers, certain military spouses, and first-year residents, in the **Residency status** box 1e on PIT-1, page 1, mark **R** if you were physically present in New Mexico for more than 185 days during the tax year. For income tax purposes you are a resident.

ADDITIONAL CONSIDERATIONS

This section describes the following topics to consider when you prepare your PIT-1:

- Residents Domiciled in Another State
- Refunds, Rebates, and Credits
- Non-Residents and Royalty Income
- Representatives of Deceased Taxpayers
- Pass-Through Entities and S Corporations
- Estates and Trusts
- Community Property and Division of Income
- Married Filing Separately
- Innocent or Injured Spouse Relief

Residents Domiciled in Another State

If you are required to file a New Mexico PIT-1 as a New Mexico resident, but you are also required to file and pay tax to another state because your domicile is in another state, complete Schedule PIT-B to allocate and apportion your income to New Mexico. Then, you can claim a credit for taxes paid to another state on PIT-1, line 20, for income taxed by both states.

Refunds, Rebates, and Credits

Even if you are not required to file a PIT-1, and if New Mexico income tax was withheld from your pay, the Department recommends that you file for a refund.

You also may qualify for one or more rebates or credits offered by New Mexico. Attach Schedule PIT-RC if you are eligible to claim any of the following:

- Low income comprehensive tax rebate
 - Property tax rebate for persons 65 or older
 - Additional low income property tax rebate for Los Alamos or Santa Fe County residents
 - New Mexico child day care credit
- To qualify for these rebates or credits, you must meet **all** these requirements:
- You were a resident of New Mexico during the tax year.
 - You were physically present in New Mexico for at least six months dur-

ing the tax year.

- You were **not** eligible to be claimed as a dependent of another taxpayer for the tax year.
- You were **not** an inmate of a public institution for more than six months of the tax year.

Additional eligibility requirements apply to other refundable rebates and credits. If you are eligible to claim any of the following, you may also use Schedule PIT-RC:

- Refundable medical care credit for persons 65 or older
- Special needs adopted child tax credit

For details about eligibility requirements, see the item in the PIT-RC instructions.

Non-Residents and Royalty Income

If you are a non-resident and you elect to calculate tax on **gross** royalty income under \$5,000, instead of filing a complete PIT-1 and PIT-B, in the box on PIT-1, line 18a, mark **Y**.

This lets the Department know you have gross royalty income under \$5,000 from New Mexico sources; you do not have any other income sourced to New Mexico; and you elected to calculate New Mexico income tax due based on the **gross** royalty income you received.

To complete the PIT-1 return using this election, do the following:

- Complete lines 1 to 8.
- Leave lines 9 to 16a blank.
- On line 17, enter your total **gross** royalty income from New Mexico sources.
- Using the instructions, complete lines 18a, 22, and 23, and then lines 27 to 42.

When you calculate your tax based on gross royalty income, you cannot reduce your income by the standard deduction or exemption amounts, or with any credits.

Representatives of Deceased Taxpayers

If a taxpayer dies before filing a return for 2014, the taxpayer's spouse or personal representative may need to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone in charge of the deceased taxpayer's property.

IMPORTANT: If the deceased taxpayer is not required to be entered on the federal or New Mexico return, do not enter the deceased taxpayer's name.

If a taxpayer did not need to file a federal return, but New Mexico income tax was withheld, the representative must file a New Mexico return to claim a refund. If a joint federal income tax return was filed for the deceased taxpayer and the surviving spouse, file a joint New Mexico return.

Dates. The filing date for the return of a deceased taxpayer is the same as if the taxpayer had lived.

The person who files the return for the deceased enters the month, day, and year of death on PIT-1, line 4c or 4d. A copy of the death certificate is required to be submitted with the PIT-1.

Refunds. If the refund check must be made payable to someone other than the surviving spouse or to the estate of the taxpayer, enter the claimant's name and social security number on lines 4a and 4b. If the return shows an overpayment, and you are a court-appointed or certified personal representative requiring the refund made payable to you, enter your name and social security number on lines 4a and 4b.

If requesting the refund to be made payable to a person other than the taxpayer or to the estate of the taxpayer, you must attach **both of** the following to the taxpayer's refund claim:

- Form RPD-41083, *Affidavit to Obtain Refund of New Mexico Tax Due a Deceased Taxpayer*
- A copy of the death certificate or other proof of death

Pass-Through Entities and S Corporations

Partnerships and other pass-through entities, including limited liability partnerships (LLPs) and limited liability investment companies (LLICs), are not subject to New Mexico income tax. However, individual members of the LLP or LLIC are subject to New Mexico income tax.

If the entity has any partner or owner who is a New Mexico resident, or if the entity has any income from New Mexico sources, it must provide to each partner or owner the information necessary to file a New Mexico income tax return.

Beginning January 1, 2011, withholding from owners and from members or partners (both of which are also considered owners) of a pass-through entity (PTE) is required. PTEs are required to withhold, from the owner's share of the PTE's allocable net income earned in the year, at the rate of 4.9%. The pass-through entity pays and reports the withholding on Form RPD-41367.

Certain exceptions apply to the withholding requirement. PTE records must maintain documentation to establish the PTE had reasonable cause for not withholding. A complete list of exceptions is provided in the instructions for RPD-41367, *Annual Withholding of Net Income From a Pass-Through Entity Detail Report*.

A PTE must file the annual PTE return, and an S corporation must file the S-Corp return. For details, see the instructions for those returns.

Estates and Trusts

Estates and trusts are subject to New Mexico personal income tax. The fiduciary for an estate or trust files FID-1, *Fiduciary Income Tax Return*.

Even if the estate or trust itself was not required to file a FID-1, each beneficiary of the estate or trust must include the beneficiary's share of the estate or trust income on the New Mexico PIT-1. For details, see the instructions for FID-1.

Community Property and Division of Income

New Mexico is a community property state. Unless the property is separate property, all assets and liabilities acquired during a marriage are the community property of both spouses.

Debt established during a marriage is the liability of both spouses, even after the marriage is dissolved. Debt established before or after a marriage is considered separate debt, and only 50% of community property may be pursued to clear separate debt.

When a couple files married filing separately, each spouse reports 50% of community income and all income generated from the separate property of the spouse who owns the property.

A spouse may not need to report half of certain combined community income (such as wages, salaries, professional fees, pay for professional services, partnership income, trade or business income, and social security benefits), if **all** the following conditions exist:

- You and your spouse lived apart all year.
- You and your spouse did not file a joint return.
- You and your spouse had wages, salaries, and professional fees that are community income.
- You and your spouse did not transfer (directly or indirectly) any wages, salaries, or professional fees between you and your spouse during any part of the year.

If you meet all of the above criteria, report half the total of all other types of community income (such as dividends, rents, royalties, or gains).

For details, see FYI-310, *Community Property, Divorce, Separation and Your New Mexico Income Tax*.

Married Filing Separately

Both your New Mexico return and your federal return must show a correct division of community and separate income and payments if **any** of the following are true:

- You are a married person filing separately.
- You were separated or divorced during the year.
- You are a married person filing jointly.
- You are claiming the exemption for income of persons 100 years or older.

If your income and payments are not evenly distributed, attach a copy of a statement showing the correct division of community and separate income and payments.

See also the PIT-B instructions for the allocation and apportionment rules for community property when:

- One spouse is a resident (but not both spouses).
- The couple is filing a joint return.
- The couple has income from sources both in and out of New Mexico.

Innocent or Injured Spouse Relief

If you believe your spouse is solely responsible to pay a joint federal tax liability due to an understatement of tax, divorce, or separation, you may be eligible to claim Innocent Spouse Relief, Separation of Liability, or Equitable Relief from the Internal Revenue Service (IRS).

If you file a joint tax return and you expect all or part of your portion of the overpayment for community property to be applied to (to offset) your spouse's legally enforceable past-due liability, you may be eligible to claim Injured Spouse Relief from the IRS. For information, see IRS Publications

971, *Innocent Spouse Relief*, and 504, *Divorced or Separated Individuals*.

Although state law prohibits the Department from forgiving state taxes due, the Department Secretary has discretion to decline to bring collection action against an "innocent or injured spouse" when it is unfair to hold that spouse liable.

If the IRS grants relief in writing to you, you may provide that documentation to the Department and request the Department to decline to bring or to cease collection action against you to the extent the IRS granted the relief to you.

Additionally, you may request the Secretary not to bring collection action against you for **any** of the following:

- Liabilities established by your spouse, when the income that established the liability was not claimed as community property.
- Your spouse's separate debt, when you expect your part of community property to be offset to clear the debt.
- Business-related debt, when you can show you had no knowledge of the business and you did not benefit from the business, and the income from the business was not claimed as community property.

To request relief from the Department, submit a written request with proof that you qualify for relief to New Mexico Taxation and Revenue Department, P.O. Box 630, Santa Fe, NM 87504-0630, or to your local district office. The addresses of the district offices are listed inside the front cover of this packet.

IMPORTANT: Do not attach the request for Innocent or Injured Spouse Relief to your PIT-1

FILING METHODS

FILING ON PAPER OR FILING ELECTRONICALLY

You can file your PIT-1 on paper or electronically. Both options are described here to help you choose the most convenient method.

IMPORTANT: After completing your paper or electronic return, make a copy and keep it in a safe place.

Benefits of Filing Electronically

The Department encourages you to file electronically whenever possible. Electronic filing is fast and secure, and it provides these benefits:

- You receive your refunds faster.
- The state saves tax dollars in processing costs.
- Filing is free on the Department website.
- If you both file and pay electronically, your filing deadline is extended to April 30, 2015. For all other taxpayers, the filing deadline is April 15, 2015.

For more about deadlines, see *When and Where to File and Pay* on page 14.

WHERE TO GET PAPER TAX FORMS

The Department provides PIT-1 forms and schedules you can fill out by hand and mail back to the Department. You can get these tax forms in person, by phone, or by downloading them from the Department website.

In Person

Ask for forms at the Department's local district offices listed inside the front cover of this packet. Some local libraries also may carry New Mexico tax forms.

By Phone

Order forms by calling the Department at (505) 827-2206.

Downloading Forms and Instructions

To download tax forms from the Department website, follow these steps:

1. Go to www.tax.newmexico.gov.
2. In the black navigation bar at the top, click **INDIVIDUALS**.

3. On the left side, click **Personal Income Tax Forms**.

USING TAX SOFTWARE

Many companies sell software products with tax forms approved by the Department. You can buy these products to complete your income tax return on your personal computer. After completing the forms, you can electronically file or print and mail your tax return to the Department.

File Department-Approved Forms

Always submit your PIT-1 on official state forms provided or approved by the Department. If you use a software product to generate your forms, the Department must first have approved the software company's forms.

The Department approves forms from companies that follow our specifications and format requirements for the electronic file. Acceptance of a software company and its forms does not imply endorsement by the Department or assurance of the quality of the company's services. The Department:

- Does not review or approve the logic of specific software programs.
- Does not confirm calculations on forms produced by these programs.

The accuracy of the software program remains the responsibility of the software company, developer, distributor, or user.

For a list of companies and products with PIT-1 forms approved by the Department, follow these steps:

1. Go to www.tax.newmexico.gov.
2. In the black navigation bar at the top, click **TAX PROFESSIONALS**.
3. On the left under **Tax Professionals**, click **Software Developers**.
4. Under **Helpful Documents**, click **Approved Software Developers for the Reproduction of 2014 New Mexico Tax Forms**.

You can also call (505) 827-0910 to get the information.

CAUTION: Submit only high-quality, printed, original PIT-1 forms and

schedules to the Department. A poor print or photocopy of a form from an approved software product or from our website delays processing your return and your refund, credit, or rebate.

Check the Print Quality

When using any computer-generated PIT form, you must comply with the printing and legibility requirements of the software company. If your printer can clearly print a logo, it can print a quality tax form.

IMPORTANT: Never submit a **photocopy** of the form you print from your computer.

ABOUT ELECTRONICAL FILING

The Department offers two ways to file your PIT-1 electronically. Each way lets you file either a refund return or a tax-due return. You can file through the Department website or through the Federal/State Electronic Filing Program.

For details, see *Using the Federal/State Electronic Filing Program (Fed/State)* later in this section.

Restrictions

Depending on the electronic filing software, certain restrictions may apply to who may file and the types of returns eligible for electronic filing. The Department and IRS websites listed in this section provide information about your PIT electronic filing options, including details about Internet browser requirements.

If you plan to have a professional tax preparer file your return electronically, you may want to contact the preparer for more information about electronic filing.

USING THE DEPARTMENT WEBSITE

If you have access to the Internet from a personal computer, free electronic filing is available on the Department's website. However, if any of these situations is true, you cannot use the website:

- You are a fiscal year filer.
- You are married filing jointly, and

you or your spouse are dependents of another taxpayer.

- You have income from sources inside and outside New Mexico and you are claiming an additional amount of tax on a lump-sum distribution by filing federal Form 4972 and Schedule PIT-B.
- You are claiming the additional property tax for low income residents of Los Alamos and Santa Fe County, and your current address has changed.

In these situations, you must file on paper or electronically with an alternative software product.

To file your return on the Department website, follow these steps:

1. Go to <https://tap.state.nm.us>.
2. Under **FOR INDIVIDUALS**, click **File a 2014 Return**.
3. After you complete all your entries, click **Submit** to file.
4. Enter your password and click **OK** to display your confirmation number.
5. Print the page showing your confirmation number as proof and verification that you filed online.
6. Click **Print** to print a copy of your return for your records.

IMPORTANT: Do not mail the confirmation page or the return you filed online to the Department.

For help with TAP, send email to TRD-Customerassistance@state.nm.us.

Refunds

If you are due a refund, you may choose to receive a check or have the refund deposited directly into your checking or savings account.

The Department is not responsible for the misapplication of a direct deposit refund caused by the error, negligence, or malfeasance on the part of the taxpayer.

Paying Your Taxes

If you owe tax, you can use any of these credit cards—Visa, MasterCard, American Express, or Discover Card—for your online payment. You can also pay by electronic check, or mail a check or money order to the Department with a PIT-PV Payment Voucher.

NOTE: A convenience fee of 2.40% is applied for using a credit card. The State of New Mexico uses this fee, calculated on the transaction amount, to pay charges from the credit card companies. There is no charge for an electronic check.

Make your check or money order payable to New Mexico Taxation and Revenue Department. Mail the PIT-PV with your payment to the New Mexico Taxation and Revenue Department, P.O. Box 8390, Santa Fe, NM 87504-8390.

USING THE FEDERAL/STATE ELECTRONIC FILING PROGRAM

The Fed/State program, administered by the IRS, lets you electronically file your federal and state tax returns together or separately. You can file a Fed/State return through an online home tax filing program on a personal computer or through a professional tax preparer.

Fed/State Online Home Filing Program

This method of filing requires access to the Internet, where you can reach companies that offer Fed/State e-file services and tax preparation software. You can also buy over-the-counter software to file your taxes online.

Partnership Agreements

To encourage electronic filing, the IRS has partnership agreements with many companies. On the IRS website is a list of companies that provide tax preparation software and Fed/State e-file opportunities, with descriptions of their products, services, and costs.

The IRS e-file provider page also lists the companies that participate in free Internet filing for low income and other qualified individuals.

For more information about the companies that participate in the Fed/State e-file program, visit the IRS website at www.irs.gov.

IMPORTANT: If you want to use one of the Fed/State e-file service providers listed on the IRS website to e-file your state return, additional charges may apply. You can, however, go to the Department website to file your state return at no charge.

When using one of the Fed/State e-file service providers on the IRS website to e-file your state return, make sure the IRS partner software company supports New Mexico 2014 personal income tax electronic filing.

Do Not Combine IRS and State Payments

When paying your taxes through the Fed/State program, make separate payments to the IRS and to the State of New Mexico. Do not combine your payments to the IRS and to the state. Follow the online instructions to make sure your payment goes to the proper taxing authority.

IMPORTANT: Fed/State program payment processing does not support payments from savings accounts.

Filing by a Professional Tax Preparer

The Fed/State electronic filing service is also available through tax professionals who meet IRS and Department qualifications for acceptance into the Fed/State program. Ask professional tax preparers whether they have Fed/State approval.

NOTE: Professional preparers usually charge for their services.

Regardless of which federal personal income tax return you file, **every person** required to file a New Mexico personal income tax return must complete and file a **PIT-1**. Depending on your residency status and your personal situation, you may be required to file other forms and schedules.

REQUIRED FORMS AND ATTACHMENTS

PIT-1 REQUIRED

Regardless of which federal return you file, **every person** who files a New Mexico personal income tax return must complete and file a PIT-1, *New Mexico Personal Income Tax Return*.

Depending on your residency status and your personal situation, other forms and schedules may also be necessary to attach to and file with your PIT-1. These forms and schedules are described next.

PIT-S FOR OVER 5 DEPENDENTS

If you have **more than** five qualifying dependent exemptions, file a PIT-S, *Supplemental Schedule for Dependent Exemptions in Excess of Five*. Enter the first five dependents on PIT-1, line 8. Then enter your additional dependent exemptions on Schedule PIT-S.

IMPORTANT: Do not file Schedule PIT-S unless you filled in the five dependent lines on PIT-1, line 8, and you need additional lines for more than five qualifying dependent exemptions.

PIT-ADJ TO ADJUST INCOME

If you are required or eligible to make New Mexico adjustments to your income, complete and attach Schedule PIT-ADJ, *Schedule of Additions, Deductions, and Exemptions*, to your PIT-1.

If you have **any** of the following additions to federal adjusted gross income, file PIT-ADJ:

- Interest and dividends from federal tax-exempt bonds,
- A federal net operating loss carryover,
- Contributions refunded when closing a New Mexico-approved Section 529 college savings plan account,
- Certain contributions rolled out of a New Mexico-approved Section 529 college savings plan account,

or

- A charitable deduction claimed on federal Form 1040, Schedule A for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were allowed the New Mexico land conservation tax credit.

If you received **any** of the following income not taxable by New Mexico, or if you qualify for **any** of the following deductions or exemptions, file PIT-ADJ:

- You have interest and dividend income on New Mexico state and local bonds.
- You have a New Mexico net operating loss carryover.
- You have interest income from U.S. Government obligations.
- You have Railroad Retirement income not taxable by New Mexico.
- You have Railroad Unemployment Insurance Act sick pay.
- You, your spouse, or both are members of an Indian nation, tribe, or pueblo and your income was wholly earned on the lands of the reservation or pueblo of which the individual is an enrolled member while domiciled on that reservation, tribe, or pueblo.
- You, your spouse, or both are age 100 or over and not dependents of another taxpayer.
- You, your spouse, or both are age 65 or over or blind, and your adjusted gross income is not over \$51,000 for a joint return; \$28,500 for a single taxpayer; or \$25,500 for married taxpayers filing separately.
- You have federally taxable contributions to or distributions from a New Mexico medical care savings account.
- You contribute to a New Mexico-approved Section 529 college savings

plan.

- You have net capital gains for which you can claim a deduction of up to \$1,000 or 50% of your net capital gains, whichever is greater.
- You have armed forces wages or salary from active duty service.
- You, your spouse, or both are age 65 or over, and you have unreimbursed or uncompensated medical care expenses of \$28,000 or more for yourself, your spouse, or dependents.
- You, your spouse, or dependents have expenses related to donating human organs for transfer to another person.
- You received a reimbursement from the New Mexico National Guard servicemember's life insurance reimbursement fund.
- You were required to include in your federal adjusted gross income taxable refunds, credits, or offsets of state and local income tax (see Form 1040, line 10). **or**
- You are a non-resident, a USPHS servicemember, and you earned income in New Mexico for USPHS active duty pay.

PIT-CR TO CLAIM NON-REFUNDABLE CREDITS

If you want to claim any of the following non-refundable credits, file PIT-CR, *New Mexico Business-Related Income Tax Credit Schedule*. If you are claiming more than five credits, also file PIT-CR Supplemental, *New Mexico Supplemental Business-Related Income Tax Credit Schedule*.

- Preservation of cultural property credit or business facility rehabilitation credit for restoring, renovating, or rehabilitating a historic structure or a qualified business facility;
- Rural job tax credit for employers who create additional jobs in rural

areas;

- Technology jobs (additional) tax credit for expenses in conducting qualified research and development;
- Electronic card-reading equipment tax credit purchased by businesses for age verification;
- Job mentorship tax credit for employing youth participating in a school-sanctioned, career preparation education program;
- Land conservation incentives credit for donations of land or interest in land certified as eligible for treatment as a qualified donation for conservation purposes by the Secretary of the Department of Energy, Minerals and Natural Resources;
- Affordable housing tax credit for persons who have invested in an affordable housing project approved by the Mortgage Finance Authority (MFA);
- Solar market development tax credit for individuals who have purchased and installed certain qualified photovoltaic or solar thermal systems in their residence, business, or agricultural enterprise in New Mexico;
- Blended biodiesel fuel tax credit for companies that blend and distribute motor fuels containing at least 2% biodiesel;
- Sustainable building tax credit for building or renovating residential or commercial buildings into sustainable buildings;
- Angel investment credit for certain qualifying investments in high-technology or manufacturing businesses;
- Rural health care practitioners tax credit for health care practitioners who provide health care in an approved rural health care underserved area;
- Agricultural water conservation tax credit for expenses incurred for eligible improvements in irrigation systems or water management methods used to produce agricultural products, harvest or grow trees, or sustain livestock;

- Advanced energy tax credit for construction of advanced energy facilities, such as solar thermal electric generating, advanced technology coal generating, or recycled energy;
- Geothermal ground-coupled heat pump tax credit for the purchase and installation of a geothermal ground-coupled heat pump in a residence, business, or agricultural enterprise in New Mexico;
- Agricultural biomass tax credit for owners of a dairy or feedlot for each wet ton of agricultural biomass transported to a facility that uses the agricultural biomass to generate electricity or to make biocrude or other liquid or gaseous fuel for commercial use;
- Approved film production tax credit for certain production and post-production expenditures made in New Mexico for an eligible film production company;
- Cancer clinical trial tax credit for oncologists who supervise patients participating in a cancer clinical trial beginning on or after January 1, 2012, but before January 1, 2016;
- Veteran employment tax credit for taxpayers who employ a qualified military veteran in New Mexico and who file a personal or corporate income tax return for a tax year beginning on or after January 1, 2012, and ending before January 1, 2017; **or**
- Renewable energy production tax credit for producing electricity by solar light or heat, wind, or biomass for 10 consecutive years beginning on the date the qualified energy generator begins producing electricity.

PIT-RC TO CLAIM REFUNDABLE CREDITS

If you want to claim **any** of the following refundable credits, file PIT-RC, *New Mexico Rebate and Credit Schedule*:

- Low income comprehensive tax rebate,
- Property tax rebate for low income persons 65 or older,
- Additional low income property tax

rebate for Los Alamos or Santa Fe County residents,

- New Mexico child day care credit,
- Refundable medical care credit for persons 65 or older, **or**
- Special needs adopted child tax credit.

PIT-B TO ALLOCATE AND APPORTION INCOME

To allocate and apportion income received from employment, business, or property sources located inside and outside New Mexico, file PIT-B, *Schedule of New Mexico Allocation and Apportionment of Income*, with your PIT-1.

PIT-D TO DONATE OVERPAYMENT

If you want to contribute to one or more voluntary contribution funds from an overpayment on your return, file PIT-D, *Schedule for New Mexico Voluntary Contributions*.

FOR EXTENSION OF TIME TO FILE

If you have an approved state or federal extension of time to file, complete PIT-1, 6a and 6b.

IMPORTANT: Do not attach a copy of a federal extension request that is automatically granted, or a copy of an approved state extension.

If the IRS grants you an **additional** extension (additional to an automatically granted federal extension), attach a copy of the approved **additional** extension.

If you qualify for a special federal extension, check the Department website to determine whether New Mexico offers a similar extension and to find out how to take the extension.

For military servicemembers deployed in a combat zone who qualify for a federal or state extension, see the special instructions about required attachments and other information in publication FYI-311, *Military Extensions for New Mexico Personal Income Tax*.

For more information about extensions, see *Extension of Time to File* on page 15.

PAYMENT VOUCHERS

When paying by check or money order, make sure to use the correct payment voucher. The payment voucher must indicate the correct tax year of the return to which you want the payment to apply.

The Department supports the fast and secure filing of electronic payments with PIT-PV, PIT-EXT, and PIT-ES, described next.

To print copies of vouchers, go to <http://www.tax.newmexico.gov>. At the top of the page, click **Forms & Publications**. When you see the list of folders, click **Income Taxes**, click **Personal Income Tax (PIT) – Current Year**, click **Personal Income Tax Return Forms**, and then click the voucher you want to print.

For more information about payment vouchers, see page 14 of these instructions.

PIT-PV, Personal Income Tax Payment Voucher

If your return shows a balance due and you choose to pay by mail or delivery to one of our local offices, you must complete the PIT-PV payment voucher and include it with your check or money order. Also include PIT-PV when submitting your payment with your return.

IMPORTANT: On all checks and money orders, write your social security number, **PIT-PV**, and the tax year.

PIT-EXT, Personal Income Tax Extension Payment Voucher

If you expect your return to show a balance due and you have obtained either a federal automatic extension or a New Mexico extension, use the PIT-EXT payment voucher to make an extension payment by mail or delivery.

When you have an extension of time to file your return, and if you file your return and pay the tax shown on the return by the extended due date, the Department waives (through the extension period) penalty for failure to file and pay.

However, even if you obtain the extension, interest continues to accrue. If you expect to owe more tax when you file your 2014 return and you want to avoid accrual of interest, make a payment using the 2014 PIT-EXT payment voucher.

PIT-ES, Estimated Tax Payment Voucher

To make estimated tax payments by mail or delivery, complete a PIT-ES payment voucher. Include the voucher with your check or money order.

IMPORTANT: On all checks and money orders, write your social security number, **PIT-ES**, and the correct tax year for the quarter. For example, when filing your fourth quarter estimated tax payment for tax year 2014 due January 15, 2015, make sure the tax year is 2014 on the PIT-ES.

Never combine payments of tax due on your 2014 return and 2015 estimated income tax liability on the same check or money order. If you combine payments, it is likely they will not be credited to your account in the way you want.

IMPORTANT: When using a payment voucher, make sure you use the correct one (PIT-PV, PIT-EXT, or PIT-ES) and make sure the voucher shows the correct tax year of the return to which you want the payment to apply.

PIT-X FOR AMENDED RETURNS

Any change to New Mexico taxable income, credits, or rebates, and changes to federal taxable income require an amended New Mexico PIT-X for the same year. For tax years beginning on or after January 1, 2014, but not after December 31, 2014, file an amended return on the 2014 PIT-X, *Personal Amended Income Tax Return*.

If your New Mexico amended return reports changes as the result of filing an amended federal return, attach copies of the applicable federal forms and schedules. In all cases, indicate the reason for amending your return on PIT-X, page 2.

NOTE: The law requires you to file an amended New Mexico return within

180 days of the date an adjustment to your federal return becomes final.

Which PIT-X To Use From 2005 On

For tax years beginning on a date after January 1, 2005, but before December 31, 2010, you must file an amended return on the PIT-X specific to the tax year of your original return.

For tax years beginning before January 1, 2005, file amended returns using the form for the appropriate tax year. Mark the **Amended** box or, if the form does not have the box, write **Amended** at the top of the form.

IMPORTANT: For tax years before 2005, do not file an amended return on a PIT-X even if indicated in the instructions for the tax year. The Department cannot accept a return filed on a PIT-X return for a year before January 1, 2005.

What To Submit With PIT-X

When submitting an amended return, you must also submit **all** Schedules PIT-S, PIT-ADJ, PIT-CR, PIT-RC, PIT-B, and PIT-D to support your entries on the PIT-X, even if they did not change from the original version. Unless you are amending your New Mexico return to change the amount of withholding reported, you do not need to file forms W-2 and other income and withholding information returns (such as 1099-MISC and RPD-41359).

IMPORTANT: Carefully follow the PIT-X instructions.

OTHER FORMS OR ATTACHMENTS YOU MIGHT NEED TO FILE

This section describes the forms and attachments you might need to file with your PIT-1. The next table, *Attachments Required to Claim Tax Credits*, lists the requirements for tax credits. The following items are also described in this section:

- All annual information returns and withholding statements
- Refund for a deceased taxpayer
- Statement of division of community and separate income and payments
- Unused New Mexico net operating loss carryforward from a previous year

Attachments Required to Claim Tax Credits

To claim these PIT-CR credits	Attach PIT-CR and these items (If you are claiming over five credits, also attach PIT-CR Supplemental.)
Preservation of cultural property credit	PIT-4, <i>Preservation of Cultural Properties Credit</i> , Part 2 approval from New Mexico Cultural Properties Review Committee.
Business facility rehabilitation credit	PIT-5, <i>Qualified Business Facility Rehabilitation Credit</i> , and certificate of completion issued by New Mexico Economic Development Department.
Rural job tax credit	RPD-41243, <i>Rural Job Tax Credit Claim Form</i> .
Technology jobs (additional) tax credit	RPD-41244, <i>Technology Jobs Tax Credit Claim Form</i> .
Credit for electronic card-reading equipment	Complete and notarize RPD-41246, <i>Income Tax Credit for Electronic Identification Card Reader Purchase and Use Statement</i> .
Job mentorship tax credit	For each qualified student you employed during the tax year, an RPD-41280, <i>Job Mentorship Tax Credit Certificate</i> , and a RPD-41281, <i>Job Mentorship Tax Credit Claim Form</i> .
Land conservation incentives credit	RPD-41282, <i>Land Conservation Incentives Tax Credit Claim Form</i> , and copy of letter received from Energy, Minerals and Natural Resources Department certifying treatment as a qualified donation.
Affordable housing tax credit	RPD-41301, <i>Affordable Housing Tax Credit Claim Form</i> , and a copy of voucher(s) issued by Mortgage Finance Authority (MFA).
Solar market development tax credit	RPD-41317, <i>Solar Market Development Tax Credit Claim Form</i> and certification letter from New Mexico Energy, Minerals and Natural Resources Department.
Blended biodiesel fuel tax credit	RPD-41340, <i>Blended Biodiesel Fuel Tax Credit Claim Form</i> .
Sustainable building tax credit	RPD-41329, <i>Sustainable Building Tax Credit Claim Form</i> , and a copy the certification letter from New Mexico Energy, Minerals and Natural Resources Department.
Angel investment credit	RPD-41320, <i>Angel Investment Credit Claim Form</i> and copy of the certificate of eligibility from New Mexico Economic Development Department.
Rural health care practitioners tax credit	RPD-41326, <i>Rural Health Care Practitioner Tax Credit Claim Form</i> and copy of certificate of eligibility from New Mexico Department of Health.
Agricultural water conservation tax credit	RPD-41319, <i>Agricultural Water Conservation Tax Credit Claim Form</i> and copy of certificate of eligibility from Soil and Water Conservation District.
Advanced energy tax credit	RPD-41334, <i>Advanced Energy Tax Credit Claim Form</i> and copy of approval letter from New Mexico Environment Department.
Geothermal ground-coupled heat pump tax credit	RPD-41346, <i>Geothermal Ground-Coupled Heat Pump Tax Credit Claim Form</i> and copy of certificate of eligibility from New Mexico Energy, Minerals and Natural Resources Department.
Agricultural biomass tax credit	RPD-41361, <i>Agricultural Biomass Tax Credit Claim Form</i> and copy of certificate of eligibility from Energy, Minerals and Natural Resources Department.
Film production tax credit (approved)	RPD-41228, <i>Film Production Tax Credit Claim Form</i> .
Cancer clinical trial tax credit	RPD-41358, <i>Cancer Clinical Trial Tax Credit Claim Form</i> .
Veteran employment tax credit	RPD-41372, <i>Veteran Employment Tax Credit Claim Form</i> .
Renewable energy production tax credit	RPD-41227, <i>Renewable Energy Production Tax Credit Claim Form</i> , and copy of certificate of eligibility from Energy, Minerals and Natural Resources Department.

To claim these PIT-RC credits	Attach PIT-RC and
Additional low income property tax rebate for Los Alamos or Santa Fe County residents	If the address on your PIT-1 return is not a Los Alamos or Santa Fe County address, a copy of your property tax statement for the Los Alamos or Santa Fe County property.
New Mexico child day care credit	PIT-CG, <i>New Mexico Caregiver's Statement</i> from each caregiver and copy of the <i>Caregiver Worksheet</i> .
Special needs adoption credit - during the first year of claiming the credit for each child,	Certification from the Children Youth and Families Department or a licensed child placement agency that the adopted individual meets the definition of a "difficult-to-place-child" as defined in the Adoption Act (Sub-section B of Section 32A-5-44 NMSA 1978). The classification is based on physical or mental impairment or emotional disturbance that is at least moderately disabling. The individual may be over 18 years of age.

- RPD-41272 to use alternative method for penalty
- PIT-110 for non-resident income adjustment
- Schedule CC for non-resident using alternative tax method
- PIT-8453 for electronic filing and transmittal
- RPD-41338 to waive preparer filing requirement

Federal Income Tax Return

The Department may require you to furnish a true and correct copy of your federal income tax return and its attachments after you file your return. Generally, you do not attach your federal return to your PIT-1.

If you have a combined loss of over \$40,000, from one or more of the following federal forms and schedules, attach to Form PIT-1, your federal Form 1040, pages 1 and 2, and the federal Form 1040 Schedules showing the loss or losses taken on Form 1040.

- Form 1040, Schedules C or C-EZ for business income or loss
- Form 1040, Schedule D for capital gains or loss
- Form 1040, Schedule E for rental real estate, royalties, partnerships, S corporations, trusts, income
- Form 1040, Schedule F for farm income or loss
- Form 4797, Other gains or losses

All Annual Information Returns and Withholding Statements

Attach to your PIT-1 a copy of each of your annual information returns

and withholding statements showing income and New Mexico income tax withheld. Include all federal Forms W-2, 1099, 1099-MISC, 1099-R, and W-2G, and New Mexico Form(s) RPD-41359, *Annual Statement of Pass-Through Entity Withholding*, and RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*.

Credit for Taxes Paid to Another State

If you are claiming the credit for tax paid to another state on PIT-1, line 20, attach the other state's income tax return and the *Worksheet for Computation of Allowable Credit for Taxes Paid to Other States by New Mexico Residents*, to your PIT-1 return.

Refund for a Deceased Taxpayer

When requesting a refund for a deceased taxpayer, enter the date of death on the PIT-1 form and the refund will automatically be made payable to the taxpayer's spouse or, if no spouse, to the estate of the deceased taxpayer. If a refund should be made payable to a person other than the surviving spouse or to the estate of the deceased, use RPD-41083, *Affidavit to Obtain Refund of New Mexico Tax Due a Deceased Taxpayer*. In all cases, provide a copy of a death certificate or other proof of death.

Statement of Division of Community and Separate Income and Payments

If your income and payments are not evenly distributed, and if **any** of the following are true, attach a statement reflecting a correct division of community and separate income and payments:

- You and your spouse are filing

separate returns.

- You divorced during 2014.
- You or your spouse, but not both, claim the exemption for income of persons 100 years or older.
- You or your spouse, but not both, are residents of a community property state.

Community property states are New Mexico, Arizona, California, Idaho, Louisiana, Nevada, Texas, Washington, and Wisconsin.

Unused New Mexico Net Operating Loss Carryforward from a Previous Year

To apply an unused New Mexico net operating loss carryforward amount from a previous year, use RPD-41369, *Net Operating Loss Carryforward Schedule*, to show the tax year when each net operating loss occurred. List on the schedule each loss for each tax year for which the loss was carried forward, including 2014.

RPD-41272 to Use Alternative Method for Penalty

If you qualify for and have elected to use an alternative method of computing penalty on estimated payments, and you marked the box on PIT-1, line 35, complete and attach 2014 RPD-41272, *2014 Calculation of Estimated Personal Income Tax Underpayment Penalty*.

PIT-110 to Adjust Non-Resident Income

If you are a non-resident whose job is located in New Mexico but requires temporary assignment outside New Mexico, complete and attach PIT-110,

Adjustments to New Mexico Income.

Schedule CC for Non-Residents Using the Alternative Tax Method

If you are a non-resident who qualifies to pay tax using an Alternative Tax Method, complete and attach Schedule CC, *Alternative Tax Schedule*.

Schedule CC is for taxpayers who:

- Have no business activities in New Mexico other than sales,
- Do not own or rent real estate in New Mexico, **and**
- Have annual gross sales in or into New Mexico of \$100,000 or less.

PIT-8453 for Electronic Filing and Transmittal

Paid tax preparers, Electronic Return Originators (EROs), or other third-party transmitters who electronically transmit New Mexico personal income tax returns on behalf of taxpayers, use a tax software program, or file through the New Mexico website, must complete PIT-8453, *2014 Individual Income Tax Declaration for Electronic Filing and Transmittal*. These transmitters must maintain in their records the taxpayers' signatures.

PIT-8453 authorizes electronic transmission of the tax return, authenticates the electronic part of the return, and under certain circumstances provides a transmittal for additional supporting documentation.

Generally, you do not need to send PIT-8453 to the Department. To find out when to submit PIT-8453 to the Department, see the instructions for PIT-8453. If you are required to submit the form to the Department, mail it to:

NM Taxation Revenue Department
P.O. Box 5418
Santa Fe, NM 87502

RPD-41338 to Waive Preparer Filing Requirement

If you do not want your tax preparer to file your tax return by Department-approved electronic media, use RPD-41338, *Taxpayer Waiver for Preparers Electronic Filing Requirement*.

To avoid the penalty of \$5 per return imposed on the paid tax return preparer, your tax preparer must mark the box in the **Paid preparer's use only** section on PIT-1, page 2. The mark shows that your preparer has your RPD-41338 on file.

The requirement to make sure returns are filed by Department-approved electronic media applies only to a 2014 New Mexico PIT-1 filed in calendar year 2015. For more details, see the instructions for the **Paid preparer's use only** section on page 35 of these instructions.

Tax Credit for Certain Venture Capital Investments

If your federal adjusted gross income includes a "qualified diversifying business net capital gain" from the sale of "qualified diversifying business stock" on or after July 1, 2000, and you are in full compliance with all provisions of the New Mexico Venture Capital Investment Act, contact (505) 827-1746 for details on claiming the tax credit allowed by the act.

WHEN AND WHERE TO FILE AND PAY

WHEN AND WHERE TO FILE

File your return as soon as you have all the necessary information. The deadlines for filing paper returns and electronic returns are different as described next.

NOTE: For a faster refund, file your return electronically.

Paper Returns To Mail

File paper returns not later than the deadline of **April 15, 2015**. For fiscal year taxpayers, the due date is the 15th day of the fourth month following the close of your fiscal year.

If you file or pay late, you may need to pay interest and penalties. See *Interest and Penalties* on page 16.

Electronic Returns

If you file your return and pay your tax

online, your filing deadline is **April 30, 2015**. To avoid penalty or interest, you must electronically file your return **and** electronically pay your tax on this TAP website. You can file the return and pay at different times.

IMPORTANT: The April 30 deadline applies only when **both** the return and the payment are filed electronically.

For a description of electronic filing and payment methods, see *About Electronic Filing* on pages 7 and 8.

Determining a Timely Mailing Date for Paper Returns

If the U.S. Postal Service postmark on the envelope bears a date on or before the due date, a mailed New Mexico income tax return and tax payment are timely. If the due date falls on a Saturday, Sunday, or a state or national

legal holiday, the tax return is timely when the postmark bears the date of the next business day.

If the date recorded or marked by a private delivery service is on or before the due date, delivery through a private delivery service is timely.

Where To Mail Paper Returns and Payments

Mail refund returns and returns **without** a payment attached to:

NM Taxation and Revenue Dept.
P.O. Box 25122
Santa Fe, NM 87504-5122

Mail returns **with** a payment and voucher attached or payments and vouchers **without** a return to:

NM Taxation and Revenue Dept.
P.O. Box 8390
Santa Fe, NM 87504-8390

HOW TO PAY

Select the most convenient way to pay your taxes. You can pay with an electronic check, a credit card, a paper check, or a money order.

Paying with an E-Check

On the Department website at <https://tap.state.nm.us>, you can pay with an E-Check at **no charge**. Your electronic check authorizes the Department to debit your bank account for the amount and on the date you specify.

Paying with a Credit Card

You may also make tax payments by using any of these credit cards—Visa, MasterCard, American Express, or Discover Card—for your online payment. A convenience fee of 2.40% is applied for using a credit card. The State of New Mexico uses this fee, calculated on the transaction amount, to pay charges from the credit card companies.

Separate Tax Due Payment and Estimated Payment

If you combine a tax due payment with an estimated tax payment in a check or money order, it is likely they will not be properly credited to your account.

IMPORTANT: Do not combine a payment for tax due on your 2014 return with a payment for your 2015 estimated income tax liability on the same check.

Mailing a Payment and Voucher

Do the following when mailing any payment by check or money order:

- Make it payable to New Mexico Taxation and Revenue Department
- Write your social security number and **2014 PIT-1** on it.
- Mail the voucher with your payment.

IMPORTANT: Mail a voucher **only**

when you are making a payment.

Payment Voucher for PIT-1

Whether you submit your payment with or without your tax return, complete PIT-PV, *Personal Income Tax Payment Voucher* and submit it with your payment. If you are making an extension or estimated payment, use either a PIT-EXT or PIT-ES voucher (described next) to submit your payment.

Vouchers to Use for Extension or Estimated Payments

If you make an extension payment, complete PIT-EXT, *Personal Income Tax Extension Payment Voucher*. Submit the voucher with your payment.

If you make an estimated payment, complete PIT-ES, *Personal Income Tax Estimated Tax Payment Voucher*. Submit the voucher with your payment.

IMPORTANT: The PIT-ES and your check or money order must indicate the correct tax year to apply the estimated payment to.

NOTE: If your payment voucher has a scanline (a very long row of numbers) at the bottom 1 and 1/2 inch of the voucher, do not write in the area around the scanline.

For more information about payment vouchers, see pages 10 and 11 of these instructions.

EXTENSION OF TIME TO FILE

New Mexico recognizes and accepts an IRS automatic extension of time to file. If you obtained the federal six-month automatic extension by filing federal Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return* for tax year 2014, you have six months to file your New Mexico return. This makes October 15, 2015 the extended

due date for calendar-year filers.

To extend your deadline beyond the six months, you are required to obtain an additional extension through the IRS or the state.

How To Request Additional Time To File Your PIT-1

If you expect to file your federal return by the original due date **or** by the six-month automatic extension allowed by the IRS, but you need additional time to file your New Mexico return, request an extension of time by filing New Mexico Form RPD-41096, *Application for Extension of Time to File*.

You must file RPD-41096 on or before the April 15, 2015 due date. When you file your return, you do not need to attach an approved state extension to the PIT-1.

Show Extension on PIT-1

To show you were approved for an extension, mark the extension box on PIT-1, line 6a. Then enter the date the extension expires in 6b.

On PIT-1, line 31 (**Other Payments**), report the amount of any payments you made towards the tax due.

Interest Continues to Accrue

An extension of time to file your return does **not** extend your time to pay. If tax is due, interest continues to accrue.

To make an extension payment by mail or delivery and avoid the accrual of interest if you expect to owe more tax when you file your 2014 return, complete and submit a PIT-EXT payment voucher with your payment.

INTEREST AND PENALTIES

INTEREST

Even if you receive an extension of time to file, interest accrues on income tax that is not paid on or before the due date of your return.

IMPORTANT: Interest is a charge for the use of money and by law it cannot be waived.

Before January 1, 2008, interest was calculated at the statutory rate of 15% per year, computed on a daily basis. Beginning January 1, 2008, interest is computed on a daily basis at the rate established for individual income tax purposes by the Internal Revenue Code (IRC).

The IRC rate changes quarterly. The IRS announces the IRC rate in the last month of the previous quarter. The annual rate for the last two years ranged between 3% and 4%. For your convenience, the Department posts the annual and daily interest rates for each quarter on our website.

IMPORTANT: Because the Department bills you for any penalty or interest due on your return, you do not need to calculate the amount of penalty or interest due. When you pay your principal tax liability, penalty and interest stop accruing.

Refunds and Interest

If you are due a refund, you may be entitled to interest on your overpayment at the same rate charged for underpayments, but only under certain conditions.

For a 2014 PIT-1, filed in calendar year 2015, the Department pays no interest in these situations:

- When it makes the refund within 55 days of the date of your claim for refund
- When the interest is less than \$1.00
- When it cannot process your return (see *Processing Requirements* described next)

For returns filed for any year before the 2015 calendar year, the Department pays no interest in these situations:

- When it makes the refund within 120 days of the date of your claim for refund
- When the interest is less than \$1.00
- When it cannot process your return (described next)

Processing Requirements

For processing to take place, your return must show your name and social security number, and your return must be signed. Your return must also comply with all the instructions for the return and contain all attachments required by the instructions.

Negligence Penalty for Late Filing or Late Payment

If you file late and owe tax, or if you do not pay your tax when due, you receive a penalty of 2% of the tax due for each month or part of a month you do not file the return or you do not pay the tax, up to a maximum of 20%.

NOTE: Before January 1, 2008, penalty could not exceed 10%. Penalty on any principal tax outstanding after January 1, 2008 continues to accrue at a rate of 2% per month, or part of a month, you do not file the return or you do not pay, up to the new maximum of 20%.

This penalty applies when your failure to file or pay is due to negligence or disregard of the rules and regulations, but without intent to defraud.

PENALTIES FOR FRAUDULENT RETURNS AND OTHER REASONS

This section covers civil and criminal penalties for fraudulent returns, penalties for underpayment of estimated tax and returned checks, and penalties related to tax preparers.

Civil Penalties

In the case of failure to pay when due any amount of required tax, with willful intent to evade or defeat any tax, the Department charges a civil penalty of 50% of the tax due. The minimum penalty is \$25.

Any person who willfully causes or attempts to cause the evasion of

another person's obligation to report and pay tax may be assessed a civil penalty in an amount equal to the amount of the tax, penalty, and interest attempted to be evaded.

Criminal Penalties

A person who willfully attempts to evade or defeat any tax or the payment of the tax is guilty of a felony. Upon conviction, that person may be fined between \$1,000 and \$10,000, or imprisoned between one and five years, or both, together with paying the costs of prosecution. This penalty is in addition to other penalties provided by law.

Any person who willfully, with intent to evade or defeat the payment or collection of any tax:

- Falsifies any return, statement, or other document;
- Willfully assists, procures, advises, or counsels the filing of a false return, statement, or document;
- Files any return electronically, knowing the information on the return is not true and correct as to every material matter; **or**
- Removes, conceals, or releases or aids in the removal, concealment, or release of any property on which levy is authorized by the Department

is guilty of a felony and subject to criminal penalties. Upon conviction, criminal penalty may be imposed of not more than \$5,000, or imprisonment of not less than six months or more than three years, or both, together with costs of prosecution.

Penalty for Underpayment of Estimated Tax

If your tax liability for 2014 is \$1,000 or more and your 2014 withholding does not equal the "Required Annual Payment" of (1) 100% of the prior year tax liability **or** (2) 90% of the current year tax liability, you may be subject to penalty.

The law provides some exceptions to the penalty. For information about exceptions, see the instructions for the PIT-ES payment voucher.

If you have not timely made the required annual payments, the Department calculates and assesses penalty on underpayment of estimated tax. If you believe the penalty to be in error, you may provide additional information.

Penalty for underpayment of estimated tax accrues at the same rate as interest on an underpayment of tax. The penalty for underpayment of estimated tax may exceed the maximum 20% that applies to underpayment penalty. Beginning January 1, 2008, penalty on underpayment of estimated tax is computed on a daily basis, at the rate established for individual income tax purposes by the IRC.

For more information, see *Interest and Penalties* on the previous page.

Returned Check Penalty

A check that is not paid by a financial institution does not constitute payment. A penalty of \$20 is assessed for a bad check in addition to other penalties that may apply to a late payment.

Failure of Paid Tax Preparers to Conform to Certain Requirements

A penalty of \$25 per return or claim for refund is assessed to paid prepar-

ers who:

- Fail to sign a tax return or claim for refund, **or**
- Fail to include their identifying numbers.

IMPORTANT: The law provides for a penalty of \$500 per item against any tax preparer who endorses or otherwise negotiates, either directly or through an agent, any refund check issued to a taxpayer.

Paid Tax Preparers Requirement to Ensure Returns are Filed Electronically

Paid tax practitioners who prepare more than 25 New Mexico personal income tax returns must ensure that each return is submitted by Department-approved electronic media, unless the taxpayer requests otherwise. A \$5 penalty per return is assessed for personal income tax preparers who fail to comply with this requirement.

To avoid a penalty of \$5 per return imposed on the paid tax return preparer, the tax preparer must ensure the return is filed by Department-approved electronic media **or** must keep a signed Form RPD-41338, *Taxpayer Waiver*

for *Preparers Electronic Filing Requirement*, on file **and** mark the box in the **Paid preparer's use only** section on PIT-1, page 2.

Department-approved electronic media includes a New Mexico PIT-1 transmitted electronically or submitted in paper form with a 2D barcode (printed on PIT-1, page 2) that contains the taxpayer's tax return information. The information in the 2D barcode is electronically captured.

An electronically transmitted return can be transmitted through the Department website or transmitted through the Internet using approved third-party software or online program.

The requirement to ensure the return is filed by Department-approved electronic media applies only to a 2014 New Mexico PIT-1 filed in calendar year 2015. For more details about this requirement, see the instructions for the **Paid preparer's use only** section on page 35 of these instructions.

YOUR RIGHTS UNDER THE TAX LAW

YOUR RIGHTS

The Tax Administration Act governs how the Department administers the Income Tax Act and gives you specific rights and responsibilities.

To help avoid tax problems, keep accurate tax records and stay current with tax law changes. Information in these instructions and other Department publications help you do both.

While you can resolve most tax problems informally, it is important to understand you must exercise certain rights provided to you under law within specific time frames. If the Department makes an adjustment to your return, the Department sends you a notice explaining the adjustment and the procedures to use if you disagree.

Verification, Correction, and Disputes

At any time after filing your return, your return may be subject to further PIT-1

review, verification, or correction. If the Department adjusts your tax return or assesses additional tax, the Department sends you a copy of Publication FYI-406, *Your Rights Under the Tax Laws*.

FYI-406 outlines your rights and obligations. The publication tells you how to dispute a Department action by using either the claim for refund procedure or the protest procedure. To make sure you take the necessary steps to protect your rights, read these procedures carefully.

Where To Get FYI-406

Publication FYI-406 is available at www.tax.newmexico.gov. At the top right under **ABOUT US**, click the magnifying glass, type **FYI-406**, and then click **Search**. You can also get FYI-406 by sending email to Taxpayer Information at policy.office@state.nm.us or calling (505) 827-0908.

Taxpayers may protest the Department's failure to grant or deny a claim for refund. If the Department has not granted or denied a claim for refund within 120 days, you may protest, bring suit, or re-file your claim within three years from the end of the calendar year in which the tax was due or in which you paid a Department assessment.

IMPORTANT: If you do not hear from the Department within 120 days, you have 90 days from the 120th day of the date of refund claim to file a protest.

You must act if you have not heard from the Department within 120 days. Section 7-1-26 NMSA 1978 prevents the Department from approving or denying your claim when 210 days have passed after the date of the claim for refund and you have not filed a formal protest or suit in district court.

ABOUT YOUR TAX RETURN INFORMATION

KEEP COPIES OF YOUR TAX RECORDS AND RETURNS

Remember to keep a copy of your completed income tax return for at least 10 years after you file it. Keep copies of accounting books and other financial records, schedules, statements, or other documents supporting the entries on your return. The Department may ask you to provide copies after you filed your income tax return.

Privacy Notification

The Department requires taxpayers to furnish social security numbers (SSNs) as a means of taxpayer identification. All information supplied electronically by taxpayers is protected using encryption and fire walls. Taxpayer information on returns is protected in accordance with the confidentiality provisions of the Tax Administration Act (Section 7-1-8 NMSA 1978).

For details about the rights of the Taxation and Revenue Department and the Secretary of the Department to collect and maintain personal information, including mandatory disclosure of SSNs in the manner required by tax regulations, instructions, and forms, see Section 7-1-12 NMSA 1978 and 3.1.1.15 NMAC.

The Department uses this personal

information primarily to determine and administer state tax liabilities. The Department also uses the information for certain tax offset and exchange-of-tax information authorized by law, and for any other purpose authorized by law.

1099-G and 1099-INT Information Returns

Federal law requires New Mexico to report to the IRS all New Mexico income tax refunds and interest paid to taxpayers on these refunds. New Mexico is required to report the same information to you on a Form 1099.

The amount reported on Forms 1099-G and 1099-INT may or may not be federally taxable to you. To find out if you need to report the amount as income for federal income tax purposes, consult your tax preparer, the federal income tax form instructions, or IRS Publication 525, *Taxable and Nontaxable Income*.

Federal/State Tax Agreement

Under authority of federal and New Mexico laws, the New Mexico Taxation and Revenue Department and the IRS are parties to a federal/state agreement for the mutual exchange of tax information.

Every year New Mexico participates in

a program that matches New Mexico return information with federal return information. If you receive a notice from the Department telling you about a difference between state and federal information or about a non-filed return, it is to your advantage to respond promptly and provide information to clear your record.

If you do not respond within 60 days, the Department presumes the notice is correct and issue an assessment of tax due for the amount of underpaid tax, plus interest and penalty.

Treasury Offset Program

If an assessment of New Mexico personal income tax is established, the Department may submit your unpaid debt to the Treasury Offset Program. This "offset" is authorized by federal law and allows the U.S. Department of the Treasury to reduce or withhold any of your federal income tax refund by the amount of your debt.

Outside Collection Agencies

The Department is authorized to contract with outside collection agencies for collection of tax obligations that are at least 120 days past due. Contracted outside collection agencies are subject to the same privacy laws and requirements as the Department.

WHAT TO KNOW AND DO BEFORE YOU BEGIN

ABOUT FEDERAL AND STATE LAWS

Many New Mexico income tax laws are based on federal income tax laws. These instructions point out the differences and explain items unique to New Mexico law. No instructions are given when a line requires addition or subtraction, or when the instructions for an item are written on the form.

CAUTION: In these instructions, references to line numbers on federal forms are provided as a convenience. They are based on information available to the Department when the Department delivers New Mexico forms to the printing contractor. The Department is not responsible for changes or errors in these references.

GETTING READY

Follow these steps before you start filling out your PIT-1:

1. Prepare your federal return. Even if you are not required to file a federal return, complete a sample federal return before you prepare your New Mexico return. Much of the information requested on the PIT-1 is the same.
2. Collect all forms and schedules you are required to file, publications you need to reference, and all your tax records.

For example, to claim a deduction, exemption, or tax credit on Schedule PIT-ADJ, Schedule PIT-CR, or

Schedule PIT-RC, collect all the schedules and make sure you have the appropriate records, approvals, and certifications. Some of the additional items you need are named on the schedule lines.

IMPORTANT: Submit only original, official PIT-1 and schedules.

For a description of different forms and schedules, see *Required Forms and Attachments* on PIT-1 instructions on page 9 and *Other Forms or Attachments You Might Need to File* on page 11. To find out where to get the forms and schedules you need, see *Contacting the Department* on page 1.

3. Read the next section, *Valid Identification Number Required*, to learn about social security numbers (SSNs) and Individual Taxpayer Identification Numbers (ITINs).
4. To get basic information about common tax situations, read *Common Items To Know About To Prepare Your PIT-1* on this page.

VALID IDENTIFICATION NUMBER REQUIRED

Enter your name and SSN on all forms, schedules, and correspondence you send to the Department. The Department cannot accept a return without a valid identification number. New Mexico requires you to use the same name and taxpayer identification number required by the IRS.

Make sure the name(s) of the taxpayer, spouse, and all dependents listed on your income tax return and SSN(s) agree with the individual's social security card. If the name is not correct, contact the Social Security Administration. You can find contact information on their website address at www.ssa.gov.

If You Do Not Have An SSN

Resident or non-resident foreign nationals who do not have and who are not eligible to obtain an SSN may obtain a federal ITIN. To apply for an ITIN, file federal Form W-7 with the IRS. Enter this ITIN in place of an SSN everywhere the SSN is required.

For forms and information about the ITIN program, contact the IRS or visit their website at www.irs.gov.

Non-Resident Alien Spouse

The IRS requires a non-resident alien spouse to have either an SSN or an ITIN in **any** of these situations:

- You file a joint return.
- You file a separate return and claim an exemption for your spouse.
- Your spouse is filing a separate return.

Deceased Dependent Child

A dependent child who was born and died in 2014 is not required to have an SSN. If you did not obtain an SSN,

on line 8, column 2 (Dependent's SSN), enter all **9s** and attach a copy of the child's birth certificate, death certificate, or hospital records. The document(s) must show the child was born alive.

COMMON ITEMS TO KNOW ABOUT TO PREPARE YOUR PIT-1

This section gives you basic information about these common items to help you prepare your PIT-1:

- Spouse situations
- Types of income
- Winnings
- Taxes withheld or paid
- Frequently claimed rebates and credits

SPOUSE-RELATED SITUATIONS

If any of the following situations applies to you, **and** your income and payments are not evenly distributed, prepare and attach a statement reflecting a correct division of community and separate income and payments:

- You are married and filing separate returns.
- You were divorced in 2014.
- You are claiming the exemption for income of persons 100 years or older.
- You or your spouse, but not both, is a resident of a community property state.

TYPES OF INCOME

The following type of income are covered next:

- Salary, wages, or tips
- Sick pay, tuition or IRA distribution, annuity, pension or retirement pay, or social security benefits
- Public assistance or Supplemental Security Income (SSI)
- Other income

Salary, Wages, or Tips

If you received salary, wages, or tips in 2014, collect all your 2014 wage and tax statements. If you have not received your wage and tax statements by February 15 or if a statement you receive is incorrect, contact your employer.

If New Mexico tax was withheld in error on your wages, salary, or tips, and you had no income tax responsibility to New Mexico on that income, obtain a letter from your employer or payor with the following information:

- Explanation of the cause of the error
- Statement that no New Mexico income tax was due on the income reported

Sick Pay, Tuition or IRA Distribution, Annuity, Pension or Retirement Pay, or Social Security Benefits

If in 2014 you received sick pay; a distribution from a New Mexico-approved qualified state tuition program or an IRA distribution; an annuity; a pension, Railroad Retirement, other retirement pay; or social security benefits, whether or not income tax was withheld on the payments, collect all your federal Form(s) 1099-R, RRB-1099 and SSA-1099.

If New Mexico tax was withheld in error on your annuity or pension, and you had no income tax responsibility to New Mexico on that income, provide a copy of the state income tax return for the state in which you are domiciled or other information showing residency in another state.

If you did not have tax withheld but would like to have it withheld in the future, contact the payor. See the *Withholding on Certain Government Pensions* table at the top of the next page for contact information for those pensions.

Public Assistance or Supplemental Security Income

If you received public assistance, from Temporary Assistance to Needy Families (TANF) or a similar program, welfare benefits, or SSI during 2014, collect your records showing the amounts you received.

Other Income

If you received any other income in 2014, whether or not taxable, such as an insurance settlement, a scholarship or grant, VA benefits, income from an inheritance or trust, gifts of cash or marketable property, alimony,

Withholding on Certain Government Pensions

Retired members of the Army, Air Force, Navy, Marines, Coast Guard, U.S. Civil Service, the National Oceanic and Atmospheric Administration, and the U.S. Public Health Service may request that New Mexico income tax be withheld from their retirement pay by contacting the appropriate retirement pay office.

U.S. Military Retirement/Annuitant Pay
Defense Finance and Accounting Service
(800) 321-1080
www.dod.mil

U.S. Coast Guard
PPC Retiree and Annuitant Services Branch
(800) 772-8724
www.uscg.mil/ppc/ras/
(Also for retired members of the National Oceanic and Atmospheric Administration)

U.S. Public Health Service
Commissioned Corps Compensation
5600 Fishers Lane, Room 4-50
Rockville, MD 20857
(800) 638-8744
(301) 594-2963

All Other Federal Retirees
U.S. Office of Personnel Management
Retirement Operations Center
(888) 767-6738
(202) 606-0500 or (202) 606-1800
www.opm.gov/retire

and separate maintenance or child support, collect your records showing the amounts.

WINNINGS

If you had gambling or lottery winnings, whether or not income tax was withheld on the winnings, you need your 2014 federal Form W-2G or a record of winnings not required to be reported on a Form W-2G. If your winnings were offset by losses reported in the itemized deductions on your federal return, the Department may request documentation from you to substantiate the deduction.

TAXES WITHHELD OR PAID

This section covers the following tax situations:

- Tax withheld from oil and gas proceeds
- Tax withheld by a pass-through entity
- Estimated tax payments you paid to New Mexico
- Income taxes you paid to another state

Tax Withheld from Oil and Gas Proceeds

If tax was withheld from your oil and gas proceeds from an oil or gas well located in New Mexico, obtain a copy of your federal Form 1099-MISC or New Mexico Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*.

Tax Withheld By Pass-Through Entity

If tax was withheld by a pass-through entity (PTE) from your share of the net income earned by a PTE, obtain a copy of federal Form 1099-MISC or a copy of New Mexico Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*.

Estimated Tax Payments to New Mexico

If you made New Mexico estimated tax payments during the year, collect your records showing the amounts and dates of your payments. If you applied an overpayment from your 2013 return to your 2014 estimated taxes, make sure to include that amount in

your total.

Income Taxes Paid To Another State

If you paid income taxes to another state on income that also is taxable in New Mexico, you need a copy of that state's return. For you to be eligible for the credit, both states must require the same income to be taxable in their state.

FREQUENTLY CLAIMED REBATE AND CREDIT

Property Tax Rebate

To claim the property tax rebate for persons age 65 or older, or the low income property tax rebate for Los Alamos or Santa Fe County residents, collect your records of the property tax billed for 2014 and/or the rent you paid on your principal place of residence.

Child Day Care Credit

To claim the child day care credit, get Form PIT-CG, *New Mexico Caregiver's Statement*, from each person who provided child day care during 2014.

REMINDER

**Write your correct social security number (SSN)
on ALL forms, schedules, payments, and correspondence.**

WHAT TO DO NEXT

Fill in your return using the line instructions that start on this page. When you finish filling in your PIT-1, see *Before Filing Your Return* on page 37.

Important Guidelines

Review the following items before making your entries:

- Consider first preparing a working PIT-1 so you can make mistakes and notes on it. After you complete the draft, you can neatly transfer the correct entries from your working copy to a clean PIT-1.
- Type or print using blue or black ink. Do not use a pencil.
- Complete all required information on your form. Failure to do this delays processing your return and may cause errors when the Taxation and Revenue Department performs calculations during processing.
- Leave blank all spaces and boxes that do not apply to you. Do not draw lines through or across areas you leave blank.
- Round all numbers and enter only whole dollar amounts. For example, enter \$10.49 as \$10 and \$10.50 as \$11.
- Write numbers clearly and legibly to reduce processing errors and increase efficiency. Use the boxes on the form as a guide for your handwritten entries.
- To show a loss on PIT-1, line 9, place a minus sign (-) immediately to the left of the loss amount. Do not use brackets or parentheses.
- Do not use dollar signs (\$), decimal points (.), or any punctuation marks or symbols other than a comma (,). For example, if your federal adjusted gross income is negative \$23,742.48, the money field entry for a loss on your PIT-1, line 9 looks like this:

- 23,742	00
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TOP OF PAGE 1

The top of page 1 shows your filing period. All information on your return (except your mailing address) is for

calendar year January 1, 2014 through December 31, 2014, or for your fiscal year.

If you are filing for a fiscal year, on the two lines under December 31, 2014, enter the month, day, and year your tax year began and the month, day, and year it ended. Calendar year filers leave these lines blank.

Your tax year must match the tax year of your federal return. Do not file short year returns unless allowed by the Internal Revenue Service.

**LINES 1 AND 2
Name and Social Security Number**

Clearly enter your name and social security number (SSN) and if applicable, the name and SSN of your spouse in exactly the same order as on your federal return. Even if you are married filing separately, your spouse's name and SSN is required.

NOTE: If you received a personal identification number (PIN) from the Department due to identity theft, enter your PIN at the bottom of page 2. The NM Identity Protection PIN that New Mexico issues is different from the PIN that the IRS issues for identity theft.

No Social Security Number?

If you or your spouse do not have an SSN, you may be eligible for a federal Individual Taxpayer Identification Number (ITIN) from the IRS. If you or your spouse do not have an SSN, but do have an ITIN assigned by the IRS, enter the ITIN everywhere the SSN is required.

For details about the ITIN and its requirements, see page 19 of these instructions.

Make sure all names and SSNs or ITINs are legible, complete, and correct.

IMPORTANT: You must provide your own SSN or ITIN, and if applicable, your spouse's SSN or ITIN, or your return is not complete and the Department cannot process it.

Blind

If you or your spouse, if applicable, are blind for federal income tax purposes, mark **X** in boxes 1c and 2c.

NOTE: The Department may request proof at a later date that you or your spouse, if applicable, are blind for federal income tax purposes. Do not attach the proof to your return.

65 Years of Age or Older

If you or your spouse, if applicable, are age 65 years or older on the last day of the tax year, mark **X** in boxes 1d or 2d.

Residency Status

In boxes 1e and 2e, enter **R**, **N**, **F**, or **P** to indicate your residency status and, if applicable, your spouse's residency status. Use **R** for resident, **N** for non-resident, **F** for first-year resident, and **P** for part-year resident as defined next:

- **Resident.** New Mexico full-year residents and individuals who were physically present in New Mexico for 185 days or more during the tax year, but were not first-year residents or certain military servicemembers and their qualifying spouses, mark **R** in the box.
- **First-Year Resident.** If you moved into New Mexico during the tax year with the intent of establishing domicile in New Mexico, and you were still in New Mexico on December 31, 2014, mark **F** in the box. You are a first-year resident whether or not you were physically present in New Mexico for fewer than 185 days during the tax year.
- **Part-Year Resident.** If you were physically present in New Mexico for fewer than 185 days during the tax year, and you were domiciled in New Mexico during part of the tax year but not on the last day of the tax year, mark **P** in the box.
- **Non-Resident.** If you were physically present in New Mexico for fewer than 185 days and you were not domiciled in New Mexico during any part of the year, mark **N** in the box.
- **Military Servicemembers.** If you

are a military servicemember, including a USPHS servicemember, you and your qualifying spouse are temporarily assigned to New Mexico, and you have established residency outside New Mexico, mark **N** in the box.

For more information about residency and about military servicemembers, see pages 2 to 4.

NOTE: New Mexico's law says every person with income from New Mexico sources who is required to file a federal income tax return must file a personal income tax return in New Mexico. This includes non-residents who have income from every New Mexico source (including wages, rents, royalties, businesses, and estates). Even foreign nationals and persons who reside in states that do not have income taxes must file in New Mexico when they have a federal filing requirement and income from any New Mexico source whatsoever.

Date of Birth

In 1f, and if applicable, 2f, enter date(s) of birth in **MM/DD/CCYY** format. For example, if your birthdate was on December 8, 1946, enter 12/08/1946.

LINE 3 Address

If your mailing address is new or has changed, mark **X** in box 3a.

If you move **after** filing your return and you expect a refund, notify both of the following about your change of address:

- The post office serving your old address
- The Department

This helps in forwarding your refund or any other correspondence related to your tax return to your new address.

To report a change of address by mail, use Form RPD-41260, *Personal Income Tax Change of Address Form*.

IMPORTANT: Your original signature is mandatory for a change of address.

In 3b, clearly enter your address. Make sure it is an address where you can receive mail and that it is legible, complete, and correct.

LINE 4 Deceased Taxpayer or Spouse and Any Claimant

If the taxpayer or the spouse named on the return died before you file this return, on lines 4c and 4d, enter the date of death in **MM/DD/CCYY** format. For example, if the death was on February 15, 2013, enter 02/15/2014. Attach a copy of the death certificate or other proof of death.

If the refund must be made payable to a person other than the surviving spouse, or to the estate of the taxpayer, on line 4a enter the claimant's name, and on line 4b enter the claimant's SSN. You must also attach Form RPD-41083, *Affidavit to Obtain Refund of New Mexico Tax Due a Deceased Taxpayer*.

For more information, see *Representatives of Deceased Taxpayers* on page 5 of these instructions.

LINE 5 Exemptions

Enter the number of exemptions allowed on your federal return for you, your spouse if filing a joint return, and your qualifying dependents. New Mexico uses the same definitions and qualifications as the IRS to determine if someone is your dependent.

IMPORTANT: If you were or your spouse was a dependent or qualify as a dependent of another individual for federal income tax purposes, whether or not you or your spouse were claimed as a dependent on the other person's federal return, exclude that spouse from your allowable exemptions.

The next examples show when to enter **1**, **2**, or **00** exemptions.

Example 1. If neither you nor your spouse can be claimed as a dependent of another individual for federal income tax purposes, enter **1** exemption if married filing separately and **2** exemptions if married filing jointly.

Example 2. If you are filing jointly and if someone can claim you or your spouse, but not both, on their federal return, enter **1** exemption.

Example 3. If you are filing jointly and both you and your spouse qualify to be claimed as a dependent on another person's federal return, enter **00** as your exemption.

LINE 6 Extension of Time to File

If you have a federal or New Mexico extension of time to file, mark **X** in box 6a and enter the date the extension expires in 6b.

If you were granted a federal automatic six-month extension (through October 15th) or you received approval for a New Mexico extension, do **not** attach either of the following:

- A copy of federal Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*
- New Mexico Form RPD-41096, *Application for Extension of Time to File*

If you are granted a federal extension for more than six months, or granted a New Mexico extension for military personnel deployed in a combat zone, special instructions and attachments are required.

For more information, see *Extension of Time to File* on page 15 of these instructions.

IMPORTANT: An extension of time to file your return does **not** extend your time to pay.

LINE 7 Filing Status

Show your filing status by marking **X** in the box to the left of the filing status. Use the same filing status on your PIT-1 that you used on your federal return. If you did not file a federal return, use the filing status you would have used for federal income tax purposes.

New Mexico is a Community Property State

Both your New Mexico return and your federal return **must** reflect a correct division of community and separate income and payments in these cases:

- Married persons filing separately or divorced during 2014
- Married persons filing jointly and claiming the exemption for income of persons 100 years or older
- Married persons allocating and apportioning income inside and outside New Mexico

If your income and payments are not evenly distributed, attach a copy of a statement reflecting a correct division of community and separate income and payments. Include your spouse's or former spouse's name and SSN on the statement.

NOTE: Even if you did not file a federal return, attach the statement explaining the division of community income and payments to your PIT-1 return.

For details, see Publication FYI-310, *Community Property, Divorce, Separation and Your New Mexico Income Tax*.

Requirements for Items 3 and 4

If you mark **X** in item 3, *Married filing separately*, your spouse's name and SSN are required on lines 2a and 2b.

If you mark **X** in item 4, *Head of Household*, on the line below item 4, enter the name of the person who qualifies you as head of household if that person is a child and not eligible to be included as a qualified dependent exemption under federal regulations.

LINE 8 Dependents

Enter the name, SSN, and date of birth of each dependent you reported on your federal return. If you have more than five qualifying dependents, enter the name, SSN, and date of birth of the first five qualifying dependents on PIT-1, line 8, and the remaining qualifying dependents on 2014 Schedule PIT-S. Attach Schedule PIT-S to your 2014 PIT-1 return.

NOTE: Enter **only** qualifying dependent exemptions allowed on your federal return. Do **not** include yourself or your spouse on line 8 or Schedule PIT-S.

Who is a Qualifying Dependent?

New Mexico uses the same definitions and qualifications as the IRS to determine if someone is a qualified dependent. To find out who you may claim as a dependent exemption, see the instructions for federal Form 1040, 1040A, or 1040EZ.

IMPORTANT: To avoid processing delays, do **not** use Schedule PIT-S unless the five dependent lines are filled in on PIT-1, line 8, and you need additional lines for qualifying dependent exemptions over five.

About the Three Columns

In Column 1, make sure the name agrees with the individual's social security card or ITIN.

In Column 2, enter your dependent's correct SSN or, if your dependent is not eligible to obtain an SSN, enter the correct ITIN required by the IRS. To find out how to apply for an ITIN, visit the IRS website at www.irs.gov.

If your qualified dependent child was born and died in 2014, and you did not obtain an SSN, enter all **9s** and attach a copy of the child's birth certificate, death certificate, or hospital records. The document must show the child was born alive.

In Column 3, enter your dependent's date of birth in **MM/DD/CCYY** format. For example, if your child was born April 1, 2002, enter 04/01/2002.

LINE 9 Federal Adjusted Gross Income

Enter the federal adjusted gross income as reported on your federal form:

If you filed	Enter the
<u>federal Form</u>	<u>amount from</u>
1040	Line 38
1040A	Line 22
1040EZ	Line 4

Royalty Income of Non-Residents
Non-resident taxpayers who elect to calculate tax on **gross** royalty income under \$5,000 using special procedures instead of filing a complete PIT-1 and a PIT-B, skip PIT-1, lines 9 through 16a.

On line 17, enter your total **gross** royalty income from New Mexico sources. Calculate the tax by applying the gross royalty income to the tax rate tables. In the box on PIT-1, line 18a, enter **Y** instead of **R** or **B**. Then follow the instructions for lines 22 and 23, and lines 27 through 42.

For more information, see *Non-Residents and Royalty Income* on page 5 of these instructions.

Federal Return Attachments Required

Generally, you do not attach your federal return to your PIT-1. If, however, you have a combined loss of over \$40,000, from one or more of the following federal forms and schedules, attach to Form PIT-1, your federal Form 1040, pages 1 and 2, and the federal Form 1040 Schedules showing the loss or losses taken on Form 1040.

- Form 1040, Schedules C or C-EZ for business income or loss
- Form 1040, Schedule D for capital gains or loss
- Form 1040, Schedule E for rental real estate, royalties, partnerships, S corporations, trusts, income
- Form 1040, Schedule F for farm income or loss
- Form 4797, Other gains or losses

LINE 9a Federal Net Operating Loss

If your federal adjusted gross income is zero or less, enter any federal net operating loss incurred for the tax year. See the instructions for the federal return to determine the amount of the federal net operating loss incurred.

LINE 10 Itemized State and Local Tax Deduction

If you itemized deductions on your 2014 federal income tax return, on your PIT-1 Return you must add back all or

Worksheet for Computing the Amount on Line 10 of the PIT-1 Return	
1. Enter the state and local income tax deduction you claimed on federal Form 1040, Schedule A, line 5.	\$
2. Enter your total itemized deductions from federal Form 1040, line 40. Also enter this amount on PIT-1, line 12, and mark the box on line 12a.	\$
3. Enter the sum of the amounts you reported on federal Form 1040, Schedule A, lines 4, 9, 15, 19, 20, 27, and 28.	\$
4. Divide line 2 by line 3. Round to 4 decimal places.	
5. Multiply line 4 by line 1.	\$
6. Enter the standard deduction amount you could have claimed on federal Form 1040, line 40, if you had not itemized your federal allowable deductions.	\$
7. Subtract line 6 from line 2. If less than zero, enter zero.	\$
8. Enter the lesser of lines 5 and 7. Also enter this amount on PIT-1, line 10.	\$

part of the amount shown for **Taxes You Paid (state and local)** on federal Form 1040, Schedule A, line 5. But, the following restrictions apply:

- The amount cannot be below the standard deduction amount you would have qualified for if you had not elected to or if you were required to itemize your deductions on your federal return.
- If the amount of the itemized deductions allowed on your federal return is limited because your federal adjusted gross income exceeds certain thresholds, your state and local tax deduction add-back is also reduced. The add-back is reduced by a percentage equal to the itemized deductions allowed and the total itemized deductions reported on federal Form 1040, Schedule A, before the limitation is applied.

To determine the amount to enter on line 10, complete the *Worksheet for Computing the Amount on Line 10 of the PIT-1 Return* on page 24.

LINE 11

Total Additions to Federal Adjusted Gross Income

If you completed Schedule PIT-ADJ, lines 1 to 5, enter the **Total Additions** from PIT-ADJ, line 5.

If any of the following are true, you are required to complete and attach Schedule PIT-ADJ:

- You received interest and dividends from federally tax-exempt bonds.
- You have a net operating loss.
- You had contributions refunded when closing a New Mexico-approved Section 529 college savings plan account.
- You had certain contributions rolled out of a New Mexico-approved Section 529 college savings plan account.
- You claimed a charitable deduction on federal Form 1040, Schedule A for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were allowed the New Mexico land conservation tax credit.

For information about calculating the additions, see the 2014 PIT-ADJ, lines

1 to 5 instructions.

LINE 12 Federal Standard or Itemized Deduction Amount

If you did not itemize deductions on your 2014 federal return, enter the allowable federal standard deduction from federal Form 1040, line 40, or from federal Form 1040A, line 24.

If you itemized deductions on your 2014 federal Form 1040, do the following:

- Enter the allowable federal itemized deductions you reported on Form 1040, line 40.
- Mark box 12a.

IMPORTANT: Mark box 12a only if you itemized your deductions on Form 1040, line 40.

Charitable Deduction of Land

If you claim a charitable deduction in your federal itemized deductions on federal Form 1040, Schedule A for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were approved for the New Mexico land conservation tax credit, you must add back the charitable deduction amount included in your itemized deductions on Form 1040, Schedule A. To determine the amount of the charitable deduction to add back, see the Schedule PIT-ADJ, line 4 line instructions.

If You File Federal Form 1040EZ

Filers of federal Form 1040EZ enter the amount from Form 1040EZ, line 5 on PIT-1, line 12. Because that amount includes both your standard deduction and your dependency exemption, leave PIT-1, line 13 blank.

LINE 13 Federal Exemption Amount

Enter your federal exemption amount from either of these federal forms:

- Form 1040, line 42
or
- Form 1040A, line 26

NOTE: If you filed federal Form 1040EZ, leave line 13 blank. Your

New Mexico Low- and Middle-Income Tax Exemption Worksheet

Complete this worksheet to determine your New Mexico low- and middle-income tax exemption for PIT-1, line 14.

Do not attach this worksheet to your PIT-1. Keep a copy in your records.

You are eligible to claim the New Mexico low- and middle-income tax exemption if:	
Your filing status is	and your federal adjusted gross income is
Single	\$36,667 or less
Married filing jointly or surviving spouse	\$55,000 or less
Head of household	\$55,000 or less
Married filing separately	\$27,500 or less

<p>1. Enter the amount reported on PIT-1, line 9. If your federal adjusted gross income is greater than the amount listed in the table above for your filing status, do not complete this form because you do not qualify for this exemption.</p>	1.	
<p>2. If your filing status on PIT-1, line 7 is: <ul style="list-style-type: none"> • Single, enter \$20,000. • Married filing jointly or qualified widow(er), enter \$30,000. • Head of household, enter \$30,000. • Married filing separately, enter \$15,000. </p>	2.	
<p>3. Subtract line 2 from line 1. If the result is negative, enter zero here, skip line 4, and enter zero on line 5.....</p>	3.	
<p>4. If your filing status on PIT-1, line 7 is: <ul style="list-style-type: none"> • Single, enter 0.15. • Married filing jointly or qualified widow(er), enter 0.10. • Head of household, enter 0.10. • Married filing separately, enter 0.20. </p>	4.	
<p>5. Multiply line 3 by line 4 and enter the result.</p>	5.	
<p>6. Subtract line 5 from \$2,500.....</p>	6.	
<p>7. Enter the number of federal exemptions* reported on PIT-1, line 5.....</p>	7.	
<p>8. Multiply line 6 by line 7. Enter this amount here and on PIT-1, line 14.....</p>	8.	

* A **federal exemption** is an exemption allowable for federal income tax purposes.

deduction for personal exemptions is included in the amount on line 12.

**LINE 14
New Mexico Low- and Middle-
Income Tax Exemption**

A New Mexico income tax exemption is allowed for low- and middle-income taxpayers. All taxpayers, including residents, part-year residents, first-year residents, and non-residents may claim this exemption in full.

The maximum is \$2,500 for each qualified exemption for federal income tax purposes. The amount varies according to filing status and adjusted gross income.

To claim the exemption, the amount on PIT-1, line 9 must be equal to or less than any of the following:

- \$36,667 (if single)
- \$27,500 (if married filing separately)
- \$55,000 (if married filing jointly, qualified widow(er), or head of household)

To calculate the exemption, use *New Mexico Low- and Middle-Income Tax Exemption Worksheet* on page 25.

**LINE 15
Total Deductions and Exemptions
from Federal Income**

If you completed PIT-ADJ, lines 6 to 22, on PIT-1, line 15, enter the **Total Deductions and Exemptions** from PIT-ADJ, line 22.

You are required to complete and attach Schedule PIT-ADJ if any of the following are true:

- You have interest and dividend income on New Mexico state and local bonds.
- You have a New Mexico net operating loss carryover.
- You have interest income from U.S. Government obligations.
- You have Railroad Retirement income not taxable by New Mexico.
- You, your spouse, or both are members of an Indian nation, tribe, or pueblo and your income was

Worksheet for Calculating Medical Care Expense Deduction

1. Determine your eligible medical care expenses paid during the tax year and enter here. **IMPORTANT:** Also enter this amount on line 16a.....1. \$ _____
2. From the *Medical Care Expenses* table below, enter the correct **Percentage of Paid Medical Expenses** based on your filing status and your adjusted gross income. 2. _____ %
3. Multiply line 1 by line 2. Enter on PIT-1, line 16.....3. \$ _____

Medical Care Expenses

Surviving Spouses and Married Individuals Filing Joint Returns

<i>If Adjusted Gross Income Is</i>	<i>Percentage of Paid Medical Expenses</i>
Not over \$30,000	25%
From \$30,001 to \$70,000	15%
Over \$70,000	10%

Single Individuals and Married Persons Filing Separate Returns

<i>If Adjusted Gross Income Is</i>	<i>Percentage of Paid Medical Expenses</i>
Not over \$15,000	25%
From \$15,001 to \$35,000	15%
Over \$35,000	10%

Head of Household

<i>If Adjusted Gross Income Is</i>	<i>Percentage of Paid Medical Expenses</i>
Not over \$20,000	25%
From \$20,001 to \$50,000	15%
Over \$50,000	10%

wholly earned on the lands of the reservation or pueblo of which the individual is an enrolled member while domiciled on that land, reservation, tribe, or pueblo.

- You, your spouse, or both are age 100 or over **and** not a dependent of another taxpayer.
- You, your spouse, or both are age 65 or over or blind, **and** your adjusted gross income is not over \$51,000 for a joint return; \$28,500 for a single taxpayer; or \$25,500 for married taxpayers filing separately.
- You have a New Mexico Medical Care Savings Account.
- You contribute to a New Mexico-approved Section 529 college savings plan.
- You have net capital gains for which you can claim a deduction of up to \$1,000 or 50% of your net capital gain deduction, whichever is greater.

- You have armed forces wages or salary from active duty service.
- You, your spouse, or both are age 65 or over, and you have unreimbursed or uncompensated medical care expenses of \$28,000 or more for yourself, your spouse, or dependents.
- You, your spouse, or dependents have expenses related to donating human organs for transfer to another person.
- You received a reimbursement from the New Mexico National Guard Service Member's Life Insurance Reimbursement Fund.
- You were required to include, in your federal adjusted gross income, taxable refunds, credits, or offsets of state and local income tax (federal Form 1040, line 10).
- You are a non-resident U.S. Public Health Service (USPHS) service member and you received active

duty pay.

For details about calculating total deductions and exemptions, see the 2014 PIT-ADJ, lines 6 to 21 instructions.

LINE 16 Medical Care Expense Deduction

If you file a New Mexico PIT-1, you may claim a deduction for medical care expenses paid during the tax year for medical care for you, your spouse, or a dependent. Eligible filers include out-of-state residents with income tax responsibility to New Mexico.

Deduction Amount

To determine the deduction amount to enter, use *Worksheet for Calculating Medical Care Expense Deduction* and the instructions beginning on the previous page.

You may claim the medical care expense deduction in an amount equal to the percentage of medical care expenses paid during the tax year based on your filing status and adjusted gross income. See the *Medical Care Expenses* table on the previous page.

IMPORTANT: You must complete both lines 16 and 16a. If either are incomplete, the Department denies your deduction.

Married Couples Filing Separately

Married couples filing separately may claim only those expenses personally incurred by a spouse. The other spouse may not claim any expenses already claimed or planned to claim by the spouse incurring the expense.

Requirement 1: Provider Must Be Licensed or Certified to Practice in New Mexico

When medical expenses are incurred for services provided by a medical doctor, osteopathic physician, dentist, podiatrist, chiropractic physician, or psychologist, the person providing the service must be licensed or certified to practice in New Mexico. In the medical expenses incurred to calculate the medical care expense deduction, you cannot include expenses paid to a provider who does not meet this

requirement.

An exception to the requirement for the doctor to be licensed or certified in New Mexico applies when medical expenses are for qualified long-term care services as defined in Section 7702B (c) of the IRC.

Requirement 2: Claim Only Unreimbursed and Uncompensated Expenses Not In Federal Itemized Deduction Amount

For purposes of the medical care expense deduction, you may claim only unreimbursed and uncompensated medical expenses **not** included in your itemized deduction amount on federal Form 1040, Schedule A. You may include on line 16 medical care expenses not included in the itemized deduction amount that are part of the federal 10%, or 7.5% if applicable, of adjusted gross income floor amount.

Ineligible Expenses

Reimbursed and compensated insurance premiums, like those paid with pre-tax dollars under cafeteria and similar benefit plans, are ineligible.

Do not claim payments to a veterinarian or veterinary clinic or any other expenses for family pets or other animals. These expenses are ineligible.

Eligible Expenses

Some of the expenses you may include are the following:

1. Amounts paid as premiums under Part B of Title XVIII of the Social Security Act (Medicare),
2. Amounts paid for a qualified long-term care insurance contract defined in Section 7702B(b) of the IRC, **and**
3. Unreimbursed insurance premiums and co-payments not deducted for federal purposes

NOTE: Premiums paid with pre-tax dollars through payroll deductions are not eligible.

Additional Exemption and Tax Credit

If you or your spouse are at least 65 years old and you paid unreimbursed and uncompensated medical care expenses over \$28,000 during 2014,

you may **also** be eligible to claim an exemption of \$3,000 and a tax credit of \$2,800.

For details, see the instructions for PIT-ADJ, line 17 and PIT-RC, line 23.

Definitions

The following definitions apply for purposes of this deduction:

1. "Health care facility" means a hospital, outpatient facility, diagnostic and treatment center, rehabilitation center, free-standing hospice, physician's office, or other similar facility, regardless of location, where medical care is provided and which is licensed by any governmental entity;
2. "Medical care" means the diagnosis, cure, mitigation, treatment or prevention of disease, or care for the purpose of affecting any structure or function of the body;
3. "Medical care expenses" means amounts paid for:
 - a. The diagnosis, cure, mitigation, treatment or prevention of disease, or care for the purpose of affecting any structure or function of the body, if **provided by a physician or in a health care facility**. Cosmetic surgery is not eligible;
 - b. Prescribed drugs or insulin, and oxygen. A "prescribed drug" is a drug or biologically active substance for use in or on humans that requires a prescription or administration by a person licensed to do so. Costs for over-the-counter drugs are not eligible. Prescribed drugs for animals are not eligible;
 - c. Qualified long-term care services as defined in Section 7702B (c) of the Internal Revenue Code;
 - d. Insurance covering medical care, including amounts you paid as premiums under part B of Title XVIII of the Social Security Act (Medicare) or for a qualified long-term care insurance contract defined in Section 7702B (b) of the Internal Revenue Code, if the insurance or other amount is income for the tax year;
 - e. Nursing services, regardless of where the services are rendered, if provided by a practical nurse or

Worksheet for Calculating Tax on Lump-Sum Distributions

1. Taxable income from PIT-1, line 171. _____
2. Amount of lump-sum income reported for purposes of 10-year tax option or capital gains election on federal Form 49722. _____
3. MULTIPLY line 2 by 0.20 and enter3. _____
4. ADD lines 1 and 34. _____
5. Enter the tax from the tax rate tables on the amount on line 45. _____
6. Enter the tax from the tax rate tables on the amount on line 16. _____
7. SUBTRACT line 6 from line 5 and enter difference7. _____
8. MULTIPLY the amount on line 7 by 5. (This is the additional averaged tax due on the lump-sum income.) Enter on PIT-1, line 198. _____

a professional nurse licensed to practice in the state according to the Nursing Practice Act;

f. Specialized treatment or the use of special therapeutic devices if a physician prescribes the treatment or device, and the patient can show that the expense was incurred primarily for the prevention or alleviation of a physical or mental defect or illness. "Special therapeutic devices" include corrective eyeglasses, contact lenses and hearing aids prescribed by a physician. Expenses for guide dogs, however, are excluded;

g. Care in an institution other than a hospital, such as a sanitarium or rest home, if the principal reason for the presence of the person in the institution is to receive the medical care available. If the meals and lodging are a necessary part of such care, the cost of the meals and lodging are "medical care expenses."

4. "Physician" means a medical doctor, osteopathic physician, dentist, podiatrist, chiropractic physician or psychologist licensed or certified to practice in New Mexico.

Eligible Medical Expenses

Medical expenses paid to physicians licensed or certified to practice in New Mexico are recognized for this deduction. Also qualified are licensed practical nurses and registered professional nurses licensed in New Mexico.

Costs of care provided by other health care professionals, such as physical therapists, acupuncturists, and others licensed by the New Mexico Department of Health, are deductible only if the care was provided in their offices or at other qualified health care facilities in New Mexico.

Expenses for Pets or Other Animals

Do not claim payments to a veterinarian or veterinary clinic or any other expenses for family pets or other animals. These expenses are not eligible for the medical care expense deduction.

Keep Documentation of Expenses

Keep full documentation of all medical care expenses for which you claim a deduction. Receipts are necessary if you are selected for audit or verification of deductions claimed.

IMPORTANT: Do not send your documentation with your tax return.

LINE 16a Unreimbursed and Uncompensated Medical Care Expenses

Enter the total of qualifying unreimbursed and uncompensated medical care expenses you used to calculate your medical care expense deduction claimed on line 16.

LINE 17

New Mexico Taxable Income

Add lines 9, 10, and 11, then subtract lines 12, 13, 14, 15, and 16. If the result is negative, enter zero. This is your New Mexico taxable income.

NOTE: Line 18 shows your New Mexico tax due based on your calculation of New Mexico taxable income amount on line 17.

Non-Residents Using Gross Royalty Income

If you are a non-resident and you elect to calculate tax on **gross** royalty income under \$5,000 using special procedures instead of filing a complete PIT-1 and PIT-B, enter your **gross** royalty income from New Mexico sources on PIT-1, line 17 and enter **Y** in box 18a.

Calculate your tax by applying the tax rate tables to the **gross** royalty income.

NOTE: Only complete PIT-1 lines 1 to 8, 17, 18a, 22, 23, and 27 to 42.

For more information, see *Non-Residents and Royalty Income* on page 5 of these instructions.

LINE 18

New Mexico Tax

Unless you qualify for Schedule CC, calculate your New Mexico tax by using one of these methods and then complete line 18a:

- If you have income from sources inside and outside New Mexico, use your entry on PIT-B, line 14.
- or**
- Use the rate tables from the PIT-1 instructions, starting on page 1T.

About PIT-B and the Rate Tables

If you have income from sources inside and outside New Mexico, complete PIT-B to calculate your tax. Otherwise, use the tax rate tables.

If you use the rate tables, make sure to use the taxable income amount on line 17.

Worksheet for Computation of Allowable Credit for Taxes Paid to Other States by New Mexico Residents

NOTE: Complete a separate worksheet for each state that imposed tax on income also taxed in New Mexico.

	COLUMN 1 from the New Mexico return	COLUMN 2 from the other state's return
Name of other state _____		
1. Enter amount of tax due to the state on the return.....	1. _____	1. _____
2. Enter taxable income on which you calculated the tax on line 1. If applicable, enter the state's taxable income after applying the state's allocation and apportionment percentage. For New Mexico, this is from PIT-1, line 17 (New Mexico Taxable Income) multiplied by the New Mexico percentage, if any, on PIT-B, line 12.....	2. _____	2. _____
3. DIVIDE line 1 by line 2. This is the average effective tax rate on the state's income. Calculate to four decimal places (for example, 0.0463).....	3. _____	3. _____
4. From each state's return, enter the part of income subject to tax in both states, but not more than the amount on line 2.....	4. _____	4. _____
5. MULTIPLY line 3 by line 4.....	5. _____	5. _____
6. Enter the lesser of line 5, column 1 and line 5, column 2, but not more than the amount in Column 1, line 1. This is the credit allowed for tax paid to the other state.....	6. _____	

Enter the amount from line 6 of this worksheet on your 2014 PIT-1, line 20. If you claim a credit for tax paid to multiple states, total the amounts on line 6 from the worksheets you completed for each state, and enter the sum on 2014 PIT-1, line 20.

If you are claiming credit for taxes paid to another state on PIT-1, line 20, attach the worksheet(s) to your 2014 PIT-1.

About Schedule CC

If you qualify to file Schedule CC, *Alternative Tax Schedule*, enter **only** the amount from Schedule CC, line 3 on line 18. Schedule CC is for taxpayers who:

- Have no business activities in New Mexico other than sales,
- Do not own or rent real estate in New Mexico, **and**
- Have annual gross sales in or into New Mexico of \$100,000 or less.

LINE 18a

Rate Table Indicator

In the box on line 18a, enter **R** or **B** to show the source for calculating your tax:

- **B** = Schedule PIT-B
- **R** = Rate tables

NOTE: Non-residents may enter **Y** if a non-resident electing to use the special method for computing tax on gross royalty income. See the instructions for line 17 for more information.

LINE 19

Additional Amount for Tax on Lump-Sum Distributions

If you received a lump-sum payment and you are using the special federal 10-year tax option on federal Form 4972, you are eligible to use New Mexico's averaging method.

If you did not use the federal averaging methods available on federal Form 4972, you are not eligible to use the New Mexico averaging method.

To calculate your New Mexico averaged tax, use *Worksheet for Calculating Tax on Lump-Sum Distributions* on page 28. Take the amount on line 8 of the worksheet, and enter it on PIT-1, line 19 for tax on lump-sum distributions.

If You File Schedule PIT-B

If you have income sources inside and outside New Mexico and file PIT-B, on PIT-B, line 3, allocate to New Mexico the part of the lump-sum distribution you received while you were a resident.

If you are a **full-year resident or a resident** because you were physically present in New Mexico for 185 days or more, you must allocate to New Mexico the lump-sum distribution you received during the entire year. If you are a first-year resident or a part-year resident, allocate only the amount of lump-sum distribution you received while a resident of New Mexico.

IMPORTANT: If you used PIT-B to calculate New Mexico tax liability on line 18, and you also used the federal special tax option and New Mexico averaging methods to calculate tax on a lump-sum distribution on line 19, do **not** add line 19 when completing PIT-1, line 22 as instructed. Instead subtract the sum of lines 20 and 21 from the amount you entered on PIT-1, line 18. Skip line 19.

You do not need to add PIT-1, line 19 when completing PIT-1, line 22 because the New Mexico part of line 19 (lump-sum distributions) is included in PIT-B, line 14.

LINE 20

Credit for Taxes Paid to Another State

A **resident** of New Mexico who must pay tax to another state on income that is also taxable in New Mexico may take a credit against New Mexico tax for tax paid to the other state.

IMPORTANT: This credit is for tax that another state imposes on any part of income that by law is included in New Mexico net income. When calculating the allowable credit, do **not** include tax withheld. If the specific item of income is not subject to taxation in both states, no credit is available.

The credit may not be more than:

- The New Mexico tax liability due on your PIT-1,
- The tax you paid to the other state, **and**
- The amount of New Mexico income tax liability calculated on the part of income taxed in both states.

Complete the worksheet on the previ-

ous page and attach all of the following to your PIT-1:

- A copy of the worksheet(s)
- Income tax return(s) from the other state(s)

Income on Schedule PIT-B

Income allocated or apportioned outside New Mexico on PIT-B does not qualify for credit for taxes paid to another state on that same income.

"State" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any political subdivision of a foreign country. "State" does not include the central governments of foreign countries.

Income tax you paid to any municipality, county, or other political subdivision of a state, or to any central government of a foreign country, does not count toward the credit.

IMPORTANT: If you file a Schedule PIT-B, a credit for tax paid to another state is only allowed when you enter income that must be allocated or apportioned to New Mexico in PIT-B, Column 2. Income that is **not** required to be allocated or apportioned to New Mexico does **not** qualify for the credit for taxes paid to another state.

Example 1. A New Mexico resident's interest earned from an investment in Arizona is allocated to New Mexico on PIT-B, Column 2. The resident can claim the credit for taxes paid to another state when the interest income is:

- Required to be allocated to New Mexico **and**
- Taxed in Arizona

Example 2. A New Mexico resident allocates rental income from property located outside of New Mexico on PIT-B. The resident cannot claim credit for tax paid to another state because the resident did not include that income on PIT-B, Column 2.

NOTE: Effective for retirement income received after December 31, 1995, federal law prohibits any state from taxing certain retirement income

(mainly pension income) unless you are resident of, or domiciled in, that state. For example, if you receive a pension from your former California employer and you now reside in New Mexico, California may not tax your retirement income. Because you are now a New Mexico resident, your retirement income is taxable in New Mexico.

New Mexico Taxpayers with Permanent Home in Other States

Some taxpayers have permanent homes in other states, **and** they are physically present in New Mexico for at least 185 days during the tax year. If you are one of these taxpayers, you must file as a resident of New Mexico.

Allocate your income to New Mexico as a resident on PIT-B. If you qualify, you also may take a credit for taxes paid to your home state on PIT-1, line 20.

LINE 21 Business-Related Income Tax Credits Applied

If you are eligible to claim one of the business-related income tax credits listed, do the following:

- Complete PIT-CR.
- From PIT-CR, line A, enter the total amount you claimed and applied to your tax due in PIT-1, line 21,
- From PIT-CR, line B, enter the total amount of film production or renewable energy tax credit that may be refunded to you, on PIT-1, line 26,
- Attach Schedule PIT-CR (and any required forms or documentation to support your claim) to your PIT-1.

The business-related income tax credits you may be eligible to claim against your New Mexico personal income taxes are listed here:

- Preservation of cultural properties credit

- Business facility rehabilitation credit
- Rural job tax credit
- Technology jobs (additional) tax credit
- Electronic card-reading equipment tax credit
- Job mentorship tax credit
- Land conservation incentives credit
- Affordable housing tax credit
- Solar market development tax credit
- Blended biodiesel fuel tax credit
- Sustainable building tax credit
- Angel investment credit
- Rural health care practitioners tax credit
- Agricultural water conservation tax credit
- Advanced energy tax credit
- Geothermal ground-coupled heat pump tax credit
- Agricultural biomass tax credit
- Film Production tax credit
- Cancer clinical trial tax credit
- Veteran employment tax credit
- Renewable energy production tax credit

For information about these credits, see the instructions for PIT-CR.

LINE 22 Net New Mexico Income Tax

To find your net New Mexico income tax in all cases, except the PIT-B situation described next, do the following:

1. Add lines 18 and 19.
2. Add lines 20 and 21.
3. From the result of step 1, subtract the result of step 2. This amount cannot be less than zero.

Calculation When Using PIT-B and Claiming Additional Amount of Tax on Lump-Sum Distributions

Although PIT-1, line 22 says to add line 19, do not add line 19 if **both** of the following are true:

- For PIT-1, line 18, you used PIT-B to calculate your New Mexico tax liability.
- For PIT-1, line 19, you used the New Mexico averaging method to calculate tax on a lump-sum distribution.

If both are true, calculate your net New Mexico income tax for line 22 by following these steps:

1. Add lines 20 and 21.
2. From the amount on line 18, subtract the result of step 1.

In this case, you do not add PIT-1, line 19 when completing PIT-1, line 22. The New Mexico part of line 19 (lump-sum distribution) is already included in PIT-B, line 14.

LINE 24 Total Claimed on Rebate and Credit Schedule

If you claim any of the following special New Mexico rebates or refundable credits, complete and attach PIT-RC to your PIT-1:

- Low income comprehensive tax rebate
- Property tax rebate (for low-income persons 65 or older)
- Additional low income property tax rebate for Los Alamos or Santa Fe County residents
- Child day care credit
- Refundable medical care credit for persons 65 years of age or older
- Special needs adopted child tax credit

A payment for gross receipts tax, withholding tax, compensating tax, or any other type of tax due to the State of New Mexico is not a payment towards your personal income tax liability. Do not include these payments as “tax withheld,” “estimated,” or “other” payments on your PIT-1.

LINES 25 and 25a **Working Families Tax Credit**

If you were a New Mexico resident during any part of 2014 and you file a PIT-1, you may claim the working families tax credit. The credit is 10% of the earned income credit (EIC) for which you are eligible the same tax year.

The EIC is a refundable federal income tax credit for low income working individuals and families. The credit reduces the amount of federal tax you may owe and may increase your refund from the IRS.

If you qualify for the working families tax credit, and the credit exceeds your income tax liability for the tax year of the claim, you may receive a refund.

IMPORTANT: You must complete both lines 25 and 25a, or the credit will be denied.

On line 25a, enter the amount of EIC you reported on your 2014 federal Form 1040, 1040A, or 1040EZ.

To find the entry for line 25, multiply the amount on line 25a by 0.10 (10%) and round the result to the nearest dollar.

For More Information

To see all the requirements for claiming the EIC, read the rules in the federal 1040, 1040A, or 1040EZ tax packages or see IRS Publication 596, *Earned Income Credit (EIC)*. You may also read about the EIC on the IRS website at www.irs.gov and download the publication from the site.

LINE 26 **Refundable Business-Related Income Tax Credits**

From PIT-CR, line B, enter the total amount of your refundable income tax credits. Line 26 shows the refundable amount of business-related income tax credits you may claim. The refundable credits are the film production tax credit and the renewable energy production tax credit.

LINE 27 **New Mexico Income Tax Withheld**

Except for income from oil and gas proceeds and income from pass-through entities (covered in lines 28 and 29), enter the total of all your other New Mexico income tax withheld. These are shown on your annual withholding statements, including Form(s) W-2, W-2G, 1099, 1099-R, and 1099-MISC. Attach a copy of the forms to your PIT-1.

Payments You Cannot Include

Do not include income tax withheld from your share of the net income of a pass-through entity or from oil and gas proceeds.

Do not include any payment you made for gross receipts tax, withholding tax, compensating tax, or any other type of tax due to the State of New Mexico. These payments are not payments towards your personal income tax liability. They are not considered "tax withheld," "estimated," or "other" payments on your PIT-1.

Tax Withheld in Error

If New Mexico tax was withheld in error on your wages, salary, or tips, and you had no income tax responsibility to New Mexico on that income, obtain a letter from your employer or payor. The letter must include both of the following:

- Explain the cause of the error.
- State that no New Mexico income tax was due on the income reported.

If New Mexico tax was withheld in error on your pension or annuity, and you had no income tax responsibility to New Mexico on that income, provide one of the following:

- A copy of the state income tax return for the state in which you are domiciled
- Other information showing your residency in an other state

LINE 28 **New Mexico Income Tax Withheld From Oil and Gas Proceeds**

Enter the total of all New Mexico income tax withheld from oil and gas proceeds as shown on your annual withholding statements, 1099-MISC, and RPD-41285, *Annual Statement of*

Withholding of Oil and Gas Proceeds. Attach a copy of the forms to your PIT-1.

An entity that has had tax withheld cannot pass a withholding statement directly to another taxpayer. Generally, the recipient of the withholding statement must file and report the tax withheld on its New Mexico income tax return.

However, if you are a remittee who receives oil and gas proceeds from which tax was withheld, and you must pass the oil and gas proceeds and the tax withheld to another remittee, you may do so by issuing an annual withholding statement, Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*, to the next remittee.

After receiving the annual withholding statements, remitees may then claim the withholding on their income tax returns.

LINE 29 **New Mexico Income Tax Withheld From a Pass-Through Entity**

Enter the total New Mexico income tax withheld from the net income of pass-through entities (PTEs) as shown on your annual withholding statements, 1099-MISC, or Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*. Attach a copy of the form(s) to your PIT-1.

An entity that has had tax withheld cannot pass a withholding statement directly to any other taxpayer. This includes its owners, members, partners, or beneficiaries. Generally, the recipient of the withholding statement must file and report the tax withheld on its New Mexico income tax return.

However, if a recipient is also a PTE, after filing and reporting, this PTE may pass tax withheld to its owners, members, partners, or beneficiaries. The PTE passes the tax withheld by issuing an annual withholding statement, Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding* to its owners, members, partners, or beneficiaries. The recipients may then

claim the withholding on their income tax returns.

LINE 30 **2014 Estimated Income Tax Payments**

Enter the total of New Mexico estimated tax payments you made for 2014 as shown in your records. Include all of the following:

- Estimated payments you made with PIT-ES payment vouchers
- Your last installment payment, even if you pay it in 2015
- Overpayments from your 2013 return that you applied to your 2014 taxes

Do Not Include These Payments

Do not include any of the following payments:

- Extension payments you made with PIT-EXT payment vouchers
- Any return payments you made with PIT-PV payment vouchers

NOTE: Report extension and return payments on PIT-1, line 31.

DIFFERENT NAME OR SSN

If you made any estimated payments using a different name or SSN, attach a schedule to your return showing how you made each estimated payment.

Example. Before her marriage in August 2014, a taxpayer made two estimated tax payments in her name and SSN only. She made two additional estimated tax payments after the marriage, but they showed her new spouse's name, and SSN.

She enters the total of all estimated payments on PIT-1, line 30. She also attaches a schedule that shows the name(s) and SSN(s) reported with each estimated tax payment.

IMPORTANT: A payment for gross receipts tax, withholding tax, compensating tax, or any other type of tax due to the State of New Mexico is not a payment towards your personal income tax liability. Do not include these payments as "tax withheld," "estimated," or "other" payments on your PIT-1.

LINE 31 **Other Payments**

Enter the total payments you made toward your 2014 personal income tax liability that are not included on line 30, including:

- Extension payments you made with PIT-EXT payment vouchers
- Return payments you made with PIT-PV payment vouchers
- PIT-EXT or PIT-PV payments you made through the Department website

IMPORTANT: You do not need to include any payments you attach to your return or payments you submit after you file the return.

LINE 32 **Total Payments and Credits**

Add lines 24 through 31, and enter the total here.

LINE 33 **Tax Due/Amount You Owe**

If line 23 is greater than line 32, the difference is the amount of tax you owe. Enter the difference here.

LINE 34 **Penalty on Underpayment of Estimated Tax**

This line is only for taxpayers who owe an underpayment penalty. Leave the line blank in these situations:

- You do not owe an underpayment penalty.
- You owe an underpayment penalty and you want the Department to calculate the penalty for you.

If you want to calculate the penalty, enter the amount of penalty on the underpayment of estimated tax you owe.

For details about calculating penalty, see the instructions for PIT-ES, *Personal Income Estimated Tax Payment Voucher*.

NOTE: Effective January 1, 2008, the rate used to calculate penalty on underpayment of estimated tax is subject to change quarterly.

Department Process for Penalty Due

The Department sends you a bill or if you are due a refund, reduces your refund by the amount of the penalty due.

LINE 35 **Special Method Allowed for Calculation of Underpayment of Estimated Tax Penalty**

Generally, taxpayers who pay penalty on underpayment of estimated tax using the standard method of computing penalty on underpayment of estimated tax, do not need to make an entry in the box on line 35 or file RPD-41272. However, if you owe penalty for underpayment of estimated payments, and you qualify for one of the special methods allowed. By using one of the special methods to calculate underpayment of estimated tax, you may be able to reduce or eliminate penalty if you qualify.

To use a special method, you must meet two requirements and then enter a number from 1 to 5 in the box on line 35 to identify the method.

Two Requirements for Using a Special Method

You can use a special method if **both** the following are true:

- You owe penalty for underpayment of estimated personal income tax using the standard method of calculating the penalty.
- You qualify for a special penalty calculation method, which reduces the amount of penalty due.

Identify the Special Method You Use

If both conditions described are true, enter 1, 2, 3, 4, or 5 in the box on line 35 to indicate the method you elect to calculate your underpayment penalty. To use the special penalty calculation, the Department requires you to complete and attach Form RPD-41272, *2014 Calculation of Estimated Personal Income Tax Underpayment Penalty*, to your PIT-1.

For a description of the calculation methods and the meaning of the entries 1, 2, 3, 4, or 5, see RPD-41272 or the instructions for PIT-ES, *Per-*

sonal Income Estimated Tax Payment Voucher.

Leave the box blank when:

- You owe penalty on underpayment of estimated tax using the standard method of calculating the underpayment penalty, and you do not qualify for one of the special methods, and
- You do not owe penalty on underpayment of estimated tax.

**LINE 36
Penalty**

If you file late and owe tax, or if you do not pay the tax on or before the date your return is due, enter penalty here.

Calculate penalty by multiplying the unpaid amount of tax due on line 33 by 0.02 (2%). Then multiply this product by the number of months or partial months for which your return or payment is late. The result cannot exceed 20% of the tax due.

If you want the Department to calculate the penalty for you, leave the line blank. The Department calculates the penalty and sends you a bill.

For more information, see *Interest and Penalties* in these instructions.

**LINE 37
Interest**

If you do not pay the income tax due on or before the original due date of your return, even if you receive an extension of time to file, add interest.

If you want the Department to calculate interest for you, leave the line blank. The Department calculates the interest and sends you a bill for interest due.

IMPORTANT: When you pay your principal tax liability, interest stops accruing. Because it stops accruing, you do not need to calculate the amount of interest due on your return past the date you pay the principal tax.

Interest Calculated on a Daily Basis
Beginning January 1, 2008, interest is calculated on a daily basis at the rate

established for individual income tax purposes by the IRC.

Formula to Calculate Daily Interest

Tax due x daily interest rate for the quarter x number of days late = interest due

Interest Changes Quarterly

The IRC interest rate changes quarterly. The annual rate for the four quarters of the 2014 tax year was 3%. The IRS announces the IRC rate for each quarter in the last month of the previous quarter.

The annual and daily interest rate for each quarter is posted on the Department website at www.tax.newmexico.gov. In the black navigation bar at the top, click **INDIVIDUALS**. Then in the left navigation bar, click **File Your Taxes** and click **Penalty & Interest Rates**.

**LINE 38
Tax, Penalty, and Interest Due**

Add lines 33, 34, 36, and 37 and then enter the total amount due.

**LINES 39 through 42
Overpayment/Refund**

If line 23 is less than line 32, you have an overpayment. On line 39, enter one of the following:

- If you do not want to calculate any penalty or interest due, enter the difference between line 32 and line 23.
- If you have penalty or interest due from lines 34, 36, or 37, reduce your overpayment by the sum of the amounts in those lines. The Department reduces your overpayment by penalty and interest amounts.

You can handle your overpayment in any or a combination of the following ways:

- You can use it for voluntary fund contributions. To do this, enter the amount you wish to contribute on line 40 and attach Schedule D to your PIT-1. For information, see Schedule D, *New Mexico Voluntary Contributions Schedule*.
- You can apply your overpayment to your 2015 estimated tax. To do this, enter the overpayment amount you wish to carry forward to the next year, on line 41.
- You can have the Department refund all or part of your overpayment to you. To do this, enter the amount on line 42.

Important: An overpayment credited toward your 2015 estimated tax cannot be refunded until you have filed your 2015 tax return in 2016.

Unless you attach to your return a signed statement asking for a refund of one dollar or less, the Department does not refund that amount.

Receiving a Paper Check in the Mail

If you request an amount to be refunded to you on line 42, and you leave the **Refund Express** section blank (below line 42 and described next), the Department mails a paper check to the address on your return.

REFUND EXPRESS SECTION

Use the **Refund Express** section (below line 42) to request a direct deposit of your refund. If you request an amount to refund to you on line 42,

WALTER MAPLE
MARIE MAPLE
123 Main Street
Anyplace, NM 87000

PAY TO THE ORDER OF _____ \$

_____ DOLLARS

ANYPLACE BANK
Anyplace, NM 87000

For _____

Routing Number: A

Account Number: C

1540
15-000000000

Do not include the check number

SAMPLE

the Department can refund your tax by depositing it directly into your bank account with **Refund Express**.

IMPORTANT: This is **only** available for deposits to the taxpayer's account. You may not request deposit of refunds into another person's account. The Department is not responsible for the misapplication of a direct deposit refund caused by the error, negligence, or malfeasance on the part of the taxpayer.

Receiving a Direct Deposit

To receive a direct deposit, complete all the information requested in the **Refund Express** section:

- RE.1 Bank routing number
- RE.2 Account number
- RE.3 Checking or savings account
- RE.4 No to location question

IMPORTANT: All fields are required. Failure to complete all four fields properly causes denial of your request. In that case, the Department mails you a paper check. The Department also mails you a paper check if your bank does not accept your **Refund Express** information.

Bank Routing Number

The routing number identifies your bank. If the first two digits are not a number from 01 to 12 or 21 to 32, the system rejects the direct deposit and issues you a check. On the sample check below the routing number is 211500151.

IMPORTANT: A bank routing number must have nine digits.

If your check states it is payable through a bank different from the financial institution where you have your checking account, do **not** use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on line RE.1.

Bank Account Number

Your account number can be up to 17 characters. Include hyphens, but omit spaces and special symbols. On line RE.2, enter the account number from left to right leaving unused boxes blank. On the sample check below, the

account number is 2015551517. Do **not** include the check number in your account number.

CAUTION: Some financial institutions do not allow deposit of a joint refund into an individual account. If a financial institution refuses a direct deposit, the Department is not responsible.

Will This Refund Go To or Through An Account Located Outside the United States?

To comply with federal banking rules, you must indicate whether the refund will go to or through an account outside the United States in question RE.4. If it is, you may not use this refund delivery option. You may use a different bank account or leave the Refund Express portion blank and a paper check will be mailed to the address on the return.

If you answer this question incorrectly, your refund may be delayed, rejected or frozen by the National Automated Clearing House Association (NACHA) or the Office of Foreign Assets Control (OFAC).

Benefits of Using Refund Express

These are some of the benefits of using **Refund Express**:

- Avoid delays that may occur in mailing a check. Refund Express does not guarantee that you will receive your refund check earlier. Only that, when the check is issued, it will reach the bank more quickly.
- Your payment is more secure. A paper check can get lost or stolen.
- Direct deposit is more convenient. You save yourself a trip to the bank.
- A direct deposit saves tax dollars. It costs less than a check.
- Direct deposit is environmentally friendly. Refunds deposited directly into your account save paper.

PAID PREPARERS USE ONLY SECTION

Anyone you pay to prepare your return must enter the following information in the **Paid preparer's use only** section on PIT-1, page 2:

- Signature (by hand or any other method of electronic signature acceptable to the IRS) and date

- The firm's name or, if you are self-employed, your name
- New Mexico 11-digit CRS number (see next paragraph)
- Preparer Tax Identification Number (PTIN)
- Federal Employer Tax Identification Number, if applicable
- Phone number
- Indicator for Form RPD-41338

About the CRS Number

A paid preparer who is not required to have a New Mexico CRS identification number is not required to complete this field. Generally, persons are required to obtain a CRS identification number if **any** of the following are true:

- They perform services in New Mexico.
- They have an employee or a business location in New Mexico.
- They sell property in New Mexico.
- They lease property employed in New Mexico.

RPD-41338, Right To Waive Electronic Filing Requirement

A taxpayer whose return is prepared by another person may elect to waive the tax preparer's requirement to file by electronic media.

If you do not want your preparer to file your return by Department-approved electronic media, the preparer must do the following:

- Keep on file a signed Form RPD-41338, *Taxpayer Waiver for Preparers Electronic Filing Requirement*.
- In the **Paid preparer's use only** section, mark **X** in the box to indicate the preparer has an RPD-41338 on file for you.

Do not submit RPD-41338 to the Department with your return.

Preparer Who Does Not Charge You

If someone prepares your return and does not charge you, that person does not sign the return. However, the Department recommends that you make sure to keep a record of:

- The name of the person who prepared your return **and**
- The person's phone number or

other contact information.

This information is important in case questions come up after filing your return.

For more information about paid preparers and requirements that apply to them, see *Interest and Penalties* on page 16.

COLLECTION OF DEBTS FROM YOUR REFUND

If you owe other taxes to the Department, the Department keeps all or part of your overpayment. The Department applies that amount to your liability.

If you owe money for past due child support, educational assistance loans, unemployment compensation, medical support, public assistance or food stamp overpayments, fines, workers' compensation fees, or fees and costs owed to district, municipal, magistrate, or metropolitan courts, the law also requires the Department to transfer all or part of your overpayment to those entities.

The Department refunds any amount over your liability and debt to you.

IMPORTANT: If you receive notification that all or part of your refund was transferred to one of the following agencies and you want to protest that action, contact the agency. The addresses and phone numbers are provided here for your convenience. If your refund was transferred to a claimant agency in error, that agency is required to correct the error and issue you a refund.

Educational Assistance

NM Educational Assistance
Foundation
Loan Servicing Department
Collections
P.O. Box 27020
Albuquerque, NM 87125
(505) 345-3371

Child Support

Human Services Department
Child Support Enforcement Division
P.O. Box 25110
Santa Fe, NM 87504
ph (505) 827-7206, fax (505) 827-7285

ph (800) 288-7207 in state
ph (800) 585-7631 out of state

Financial Assistance

Human Services Department
Accounts Receivable Bureau
Restitution Unit
P.O. Box 2348
Santa Fe, NM 87504-2348
(800) 431-4593

Department of Workforce Solutions

New Mexico Department of Workforce
Solutions
Unemployment Insurance Benefit
Payment Control
P.O. Box 1928
Albuquerque, NM 87103
(877) 664-6984

Administrative Office of the Courts

(for information on specific courts)
Warrant Enforcement Division
237 Don Gaspar, Room 25
Santa Fe, NM 87501
(505) 984-9914 x136 or (575) 524-5860

Workers' Compensation Fee

Workers' Compensation Administration
Financial Management Bureau
P.O. Box 27198
Albuquerque, NM 87125-7198
2410 Centre Ave. SE
Albuquerque, NM 87106
(505) 841-6000

PAYING YOUR TAX LIABILITY

You can pay your tax liability through the Internet or by mail.

Paying Through the Internet

On the Department website, you may pay by electronic check at **no charge**. Your electronic check authorizes the Department to debit your checking account in the amount and on the date you specify.

You may also make tax payments by using any of these credit cards—Visa, MasterCard, American Express, or Discover Card—for your online payment. A convenience fee of 2.40% is applied for using a credit card. The State of New Mexico uses this fee, calculated on the transaction amount, to pay charges from the credit card companies.

You can file your return and pay

through Taxpayer Access Point (TAP) at <https://tap.state.nm.us>. Under **FOR INDIVIDUALS**, do the following:

- To file, click **File a 2014 Return**.
- To pay now, click **Make a Payment**.

NOTE: After you submit your return, you can pay from the page that shows your confirmation number. The **Make a Payment** button is at the top of that page.

Paying by Mail

If you owe one dollar or more, complete the PIT-PV payment voucher. Include full payment with the voucher and make your check or money order payable to **New Mexico Taxation and Revenue Department**.

Write your social security number and **2014 PIT-1** on your payment.

It is important to follow these rules:

- Never send cash.
- Only submit a payment voucher if you include a check or money order payment.
- Submit only high-quality printed, original vouchers. Do not photocopy vouchers.

Voucher Requirements

Because the Department uses high-speed scanners to process payment vouchers, a high-quality form helps ensure accuracy.

When printing the voucher from the Internet or a software product, prevent resizing by setting the printer's page scaling function to **none**.

The scanners can read only one page size to process vouchers, so it is important to **cut only on the dotted line**.

If your payment voucher has a scanline (a very long row of numbers) within the bottom 1 and 1/2 inch of the voucher, do not write in the area around the scanline.

IMPORTANT: Do **not** combine payment for the amount due on your return with payment for any other tax or estimated payments for 2015. If you combine payments, it is likely they will

not be credited to your account as you want.

Penalty For Check Not Honored By Bank

A \$20 penalty is assessed for any check not honored by the bank on which it is drawn. This penalty is in addition to any other late filing and late payment penalties that may be assessed.

BEFORE FILING YOUR RETURN

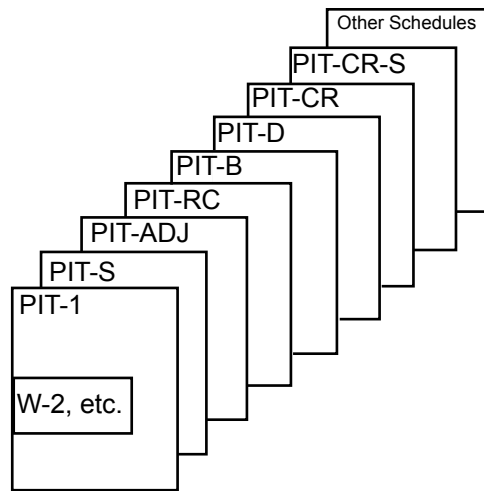
Now that you have completed your PIT-1, use the checklist on page 38 and follow these final steps:

1. Check the figures and your arithmetic on your PIT-1 and on all your attachments. Make sure these are original, official PIT-1 form and schedules.
2. If you created a working PIT-1, use blue or black ink to carefully transfer your figures onto the clean PIT-1 you plan to submit.
3. At the bottom of page 2, sign and date your PIT-1. If you are married and filing a joint return, both spouses must sign the return.

NOTE: Parents of minor children, guardians of dependent taxpayers, surviving spouses, or estate administrators must sign the tax return on behalf of the minor child, dependent, or deceased taxpayer. Print or type the relationship under the signature.

IMPORTANT: If you do not sign your return, the Department cannot process it.

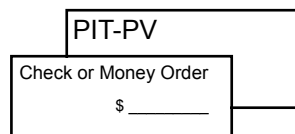
4. Below the signature(s), enter your phone number and email address. If you received a New Mexico Identity Protection PIN from the Department, enter your 5-digit PIN.
5. If you paid a preparer, the preparer must sign your return.
6. If your return shows tax due on line 39, complete the PIT-PV payment voucher.
7. Assemble your return (and payment voucher if your return shows tax due) as shown for most efficient processing.



IMPORTANT: Do not use staples or tape to assemble your return.

PIT-1 Followed by Schedules in This Order

- 2014 PIT-1
- 2014 Schedule PIT-S, if required
- 2014 Schedule PIT-ADJ, if required
- 2014 Schedule PIT-RC, if required
- 2014 Schedule PIT-B, if required
- 2014 Schedule PIT-D, if desired
- 2014 Schedule PIT-CR, if required
- 2014 Schedule PIT-CR-S, if required
- Other required schedules or attachments
- Payment (check or money order)
- PIT-PV Payment Voucher



IMPORTANT: Do not staple or tape your payment to the payment voucher.

8. Make a copy of your original return and attachments, and keep it in a safe place in case you need to refer to it later. If someone prepares your return for you, get a copy for your records.

FILING YOUR RETURN

Mail or electronically file your return and attachments. Include copies of your annual statements of income and withholding forms W-2 or other annual income or withholding statements.

Where to Mail a Return WITHOUT a Payment

If you are **not** mailing a payment with your return, mail your refund return or other return to:

NM Taxation and Revenue Dept.
P.O. Box 25122
Santa Fe, NM 87504-5122

Where to Mail a Return WITH a Payment

If you **are** mailing a payment with your return, mail your return, payment, and voucher to:

NM Taxation and Revenue Dept.
P.O. Box 8390
Santa Fe, NM 87504-8390

RECOMMENDATIONS

The Department encourages all taxpayers to file electronically whenever possible. Electronic filing is fast, safe, and secure. It provides the fastest turnaround for a refund and saves tax dollars. A return filed electronically costs less than a paper return.

Taxpayers who file and pay electronically receive a filing deadline extension of April 30, 2015. For all other taxpayers, the filing deadline is April 15, 2015. For details, see *Filing Methods* on page 7 and *When and Where to File and Pay* on page 14.

Get Your Refund Status Online

You can see the status of your refund on the Department website at www.tax.newmexico.gov. Near the center of the page, click **Where is my refund?** Then enter your ID (social security number) and refund amount to see the status.

Generally, the Department processes electronically filed returns claiming a refund within two to four weeks. A paper return received in the Department early in the tax season takes six to eight weeks to process. If you file a paper return after March 15, it may take up to 12 weeks to receive your refund.

If you need to call to find out where your refund check is, please wait until sufficient time has passed for the Department to process your refund claim. Then call (505) 827-0827 in Santa Fe, or toll free at (866) 809-2335, select option 3.

Filing Checklist

- Are name(s) and address complete, correct, and legible?
- Are SSNs legible, accurate, and entered on both pages of each form or schedule where indicated?
- If filing married filing separately, are your spouse's name and SSN included?
- Did you include W-2 forms and other income and withholding information returns that show New Mexico income and tax withheld?
- If PIT-1, line 11 or line 15 has an entry, did you include Schedule PIT-ADJ?
- If PIT-1, line 21 has an entry, did you include Schedule PIT-CR?
- If PIT-1, line 24 has an entry, did you include Schedule PIT-RC and, if required, did you answer questions A, B, C, and D on PIT-RC?
- If required, did you include Schedule PIT-B?
- If PIT-1, line 40 has an entry, did you include Schedule PIT-D?
- Have you checked the arithmetic on your forms? Are all required fields complete and correct?
- Did you remember **not to staple or tape** the forms and attachments?
- Is the return properly signed and dated? Is a contact phone number and email address included at the bottom of PIT-1, page 2?
- Did you prepare the original forms for mailing to the Department and make a copy of **all** documents for your records?
- If tax is due, did you prepare a PIT-PV payment voucher and check or money order for the full amount to mail to P.O. Box 8390, Santa Fe, NM 87504-8390? Are SSNs and **2014 PIT-1** written on your check? Did you make your check or money order payable to New Mexico Taxation and Revenue Department?
NOTE: The Department supports fast filing electronic payments with an E-Check or credit card at <https://tap.state.nm.us>.
- If you are due a refund, did you make sure the address on the front of your PIT-1 is where you want your refund mailed?
- If you must make estimated tax payments for tax year 2015, did you mail a PIT-ES payment voucher and check or money order to P.O. Box 8390, Santa Fe, NM 87504-8390? Did you write all SSNs and **2015 PIT-ES** on your check? Did you make your check or money order payable to New Mexico Taxation and Revenue Department?

How To Check the Status of Your Refund

You can see the status of your refund online. Go to the Department website at www.tax.newmexico.gov. Near the center of the page, click **Where is my refund?** Then enter your ID (social security number) and refund amount to see the status.

When To Call About Your Refund

Before calling about your refund, please allow time for the Department to process your refund claim. Generally, electronically filed returns claiming a refund are processed in two to four weeks. A paper return received in the Department early in the tax season takes six to eight weeks to process. If you file a paper return after March 15, you may not receive your refund for up to 12 weeks.

What You Need

When you call or visit us on the web, make sure to have a copy of your tax return and related information.

New Mexico Taxpayer Bill of Rights

Most tax transactions happen without incident. In an imperfect world, however, occasional disagreements occur through misunderstanding, mathematical error, missed deadlines, misplaced papers, high volume of transactions and many other situations. Over the years the Legislature and the department have established ways to handle difficulties according to the provisions of the state tax code. Following are some of your rights. Should you wish to consult the law itself, you will find it in Sections 7-1-4.1 through 4.3 NMSA 1978:

- The right to available public information and prompt and courteous tax assistance;
- The right to representation and advice by counsel or other qualified representatives at any time during your interactions with us according to provisions of Section 7-1-24 NMSA 1978;
- The right to have audits, inspections of records and meetings conducted at a reasonable time and place according to Sec. 7-1-11 NMSA 1978;
- The right to simple, non-technical information explaining procedures, remedies and rights during audit, protest and collection proceedings under the Tax Administration Act;
- The right to receive an explanation of audit results and the basis for audits, assessments or denials of refunds that identify tax, interest or penalty due;
- The right to seek review through formal or informal proceedings of findings or unfavorable decisions arising from determinations during audit or protest procedures according to Sec. 7-1-24 NMSA 1978;
- The right to have your tax information kept confidential unless otherwise specified by law in Sec. 7-1-8 NMSA 1978;
- The right to an abatement of an assessment of taxes incorrectly, erroneously or illegally made (Sec.

7-1-28 NMSA 1978) and a right to seek a compromise of an asserted tax liability. When the Secretary of Taxation and Revenue in good faith doubts that you owe us what we claim you owe, you also have the right to seek a compromise if one exists in your particular case (Sec. 7-1-20 NMSA 1978);

- The right to clear information of the consequences if a tax assessment is not paid, secured, protested or otherwise provided for according to Sec. 7-1-16 NMSA 1978. If you become a delinquent taxpayer, upon notice of delinquency you have the right to timely notice of collection actions that require sale or seizure of your property under the Tax Administration Act, and
- The right to pay your tax obligations by installment payment agreements according to the provisions of Sec. 7-1-21 NMSA 1978.

Confidentiality Provisions:

Statutes regulating the confidentiality of your taxes continue to be strict. Sec. 7-1-8 NMSA 1978 requires the department to answer questions about whether a taxpayer is registered to do business in this state or is registered for other tax programs, but it does not allow employees to reveal whether you have filed a return. A hearing officer's written ruling on questions of evidence or procedure according to Sec. 7-1-24 NMSA 1978 may be made public, but not the name and identification number of the taxpayer requesting the ruling. Now included in public record are the monthly gasoline tax reports of numbers of gallons of gasoline and ethanol-blended fuels received and deducted, and the tax paid by each filer or payer of the tax. Identities of rack operators, importers, blenders, suppliers or distributors and the number of gallons of gasoline and other fuels are public record. The department may make known to the Gaming Control Board the tax returns of license applicants and their affiliates.

Audit Provisions:

We must provide you with written, dated notice that an audit is about to begin on a specific date, and the notice must tell you which tax programs and reporting periods will be covered. We must issue a second notice, which states any outstanding records or books of account requested and not yet received, between 60 and 180 days after the audit begins. If you do not produce the records within 90 days, the department can issue an assessment of tax on the basis of the information as it stands. If you need additional time, you must submit a specific request in writing. Interest on outstanding liabilities accrues if the department does not issue an assessment within 180 days of the notice of outstanding records or books, or within 90 days after time has expired under your request for additional time; however, you are entitled to an abatement of interest for the period of time after you have complied with department requests and the department has not acted on the audit.

Administrative Hearing Procedures:

A department hearing officer may not engage as an employee in enforcing or formulating general tax policy other than to conduct hearings. You may request the Secretary to determine if a hearing officer's activities have affected his or her impartiality, and the Secretary may assign the case to another hearing officer. Hearing officers may not communicate unilaterally about a matter you have protested while that matter is still pending. The Secretary may appoint another hearing officer if that occurs. You may request a written ruling on any contested question of evidence in matters in which you have filed a pending written protest. You also may request that two or more protests on related issues be combined and heard jointly, and the hearing officer shall grant the request unless it creates an unreasonable burden on the department.

Credit Claims:

The department has 180 days from the filing date to approve or deny a statutory tax credit. If it does not act, the credit is approved. The Secretary decides whether a refund of tax due you may be offset against your other tax liabilities, and you will receive notice that the refund will be made accordingly. You are entitled to interest until the tax liability is credited with the refund amount. Please see the paragraph above on "Audit Provisions" for interest due you if the department does not offset a refund or credit against your other tax liabilities within the prescribed time. The department

may make a direct refund of overpaid taxes to the taxpayer without requiring the taxpayer to file a refund claim. The department does not have to pay interest on credits or refunds if it applies the amount to a tax interception program, to an estimated payment, or to offset prior liabilities of the taxpayer.

Awarding of Costs and Fees:

If you prevail in an administrative or court proceeding brought by you or against you after July 1, 2003, under the Tax Administration Act, you will receive a judgment or a settlement for reasonable administrative costs connected to the action.

Penalty:

The department may not assess penalty against you if you fail to pay tax when due because of a mistake of law made in good faith and on reasonable grounds. If the Secretary determines that it is unfair to hold a spouse or former spouse liable for payment of unpaid taxes, the Secretary may decline to take action against the spouse or former spouse of the person who actually owes the tax. In extreme cases of delinquency under Sec. 7-1-53 the department may enjoin a taxpayer from continuing in business after a hearing and until the delinquency is cleared.

REMINDER

**Write your correct social security number (SSN)
on ALL forms, schedules, payments, and correspondence.**

**You can file your return online and pay through
Taxpayer Access Point (TAP)
at
<https://tap.state.nm.us>**

Our TAP services let you:

- **File online**
- **Pay with an E-Check or a credit card (Visa, MasterCard, American Express, or Discover Card)**
A 2.40% convenience fee is added for credit card payments
- **Manage your New Mexico tax accounts and grant third-party access**
- **View tax information and letters sent by the state**
- **Register your business**

TAP also gives you email and phone contacts for tax specialists who can answer your questions.

2014 Tax Rate Table

Based on Taxable Income

Example: Mr. and Mrs. Brown are filing a joint return. Their **New Mexico Taxable Income** on line 17 of the Form PIT-1 is \$25,325. First they find the \$25,300-\$25,400 income line. Next they find the column for **Married filing jointly** and read down the column. The amount shown where the income line and filing status column meet is \$834. This is the tax amount they must write on line 18 of the Form PIT-1.

More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household
			Your tax is:		
25,200	25,300	958	829	1,033	829
25,300	25,400	963	834	1,038	834
25,400	25,500	968	839	1,043	839
25,500	25,600	972	844	1,048	844

If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:			
More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household
0	60	0	0	0	0	4,000				8,000							
60	100	1	1	1	1	4,000	4,100	69	69	70	69	8,000	8,100	175	138	198	138
100	200	3	3	3	3	4,100	4,200	71	71	73	71	8,100	8,200	178	141	203	141
200	300	4	4	4	4	4,200	4,300	72	72	76	72	8,200	8,300	182	144	208	144
300	400	6	6	6	6	4,300	4,400	74	74	79	74	8,300	8,400	185	147	212	147
400	500	8	8	8	8	4,400	4,500	76	76	82	76	8,400	8,500	188	150	217	150
500	600	9	9	9	9	4,500	4,600	77	77	86	77	8,500	8,600	191	154	222	154
600	700	11	11	11	11	4,600	4,700	79	79	89	79	8,600	8,700	194	157	227	157
700	800	13	13	13	13	4,700	4,800	81	81	92	81	8,700	8,800	198	160	231	160
800	900	14	14	14	14	4,800	4,900	82	82	95	82	8,800	8,900	201	163	236	163
900	1,000	16	16	16	16	4,900	5,000	84	84	98	84	8,900	9,000	204	166	241	166
1,000						5,000						9,000					
1,000	1,100	18	18	18	18	5,000	5,100	86	86	102	86	9,000	9,100	207	170	245	170
1,100	1,200	20	20	20	20	5,100	5,200	88	88	105	88	9,100	9,200	210	173	250	173
1,200	1,300	21	21	21	21	5,200	5,300	89	89	108	89	9,200	9,300	214	176	255	176
1,300	1,400	23	23	23	23	5,300	5,400	91	91	111	91	9,300	9,400	217	179	259	179
1,400	1,500	25	25	25	25	5,400	5,500	93	93	114	93	9,400	9,500	220	182	264	182
1,500	1,600	26	26	26	26	5,500	5,600	95	94	118	94	9,500	9,600	223	186	269	186
1,600	1,700	28	28	28	28	5,600	5,700	98	96	121	96	9,600	9,700	226	189	274	189
1,700	1,800	30	30	30	30	5,700	5,800	102	98	124	98	9,700	9,800	230	192	278	192
1,800	1,900	31	31	31	31	5,800	5,900	105	99	127	99	9,800	9,900	233	195	283	195
1,900	2,000	33	33	33	33	5,900	6,000	108	101	130	101	9,900	10,000	236	198	288	198
2,000						6,000						10,000					
2,000	2,100	35	35	35	35	6,000	6,100	111	103	134	103	10,000	10,100	239	202	292	202
2,100	2,200	37	37	37	37	6,100	6,200	114	105	137	105	10,100	10,200	242	205	297	205
2,200	2,300	38	38	38	38	6,200	6,300	118	106	140	106	10,200	10,300	246	208	302	208
2,300	2,400	40	40	40	40	6,300	6,400	121	108	143	108	10,300	10,400	249	211	306	211
2,400	2,500	42	42	42	42	6,400	6,500	124	110	146	110	10,400	10,500	252	214	311	214
2,500	2,600	43	43	43	43	6,500	6,600	127	111	150	111	10,500	10,600	255	218	316	218
2,600	2,700	45	45	45	45	6,600	6,700	130	113	153	113	10,600	10,700	258	221	321	221
2,700	2,800	47	47	47	47	6,700	6,800	134	115	156	115	10,700	10,800	262	224	325	224
2,800	2,900	48	48	48	48	6,800	6,900	137	116	159	116	10,800	10,900	265	227	330	227
2,900	3,000	50	50	50	50	6,900	7,000	140	118	162	118	10,900	11,000	268	230	335	230
3,000						7,000						11,000					
3,000	3,100	52	52	52	52	7,000	7,100	143	120	166	120	11,000	11,100	272	234	339	234
3,100	3,200	54	54	54	54	7,100	7,200	146	122	169	122	11,100	11,200	277	237	344	237
3,200	3,300	55	55	55	55	7,200	7,300	150	123	172	123	11,200	11,300	281	240	349	240
3,300	3,400	57	57	57	57	7,300	7,400	153	125	175	125	11,300	11,400	286	243	353	243
3,400	3,500	59	59	59	59	7,400	7,500	156	127	178	127	11,400	11,500	291	246	358	246
3,500	3,600	60	60	60	60	7,500	7,600	159	128	182	128	11,500	11,600	295	250	363	250
3,600	3,700	62	62	62	62	7,600	7,700	162	130	185	130	11,600	11,700	300	253	368	253
3,700	3,800	64	64	64	64	7,700	7,800	166	132	188	132	11,700	11,800	305	256	372	256
3,800	3,900	65	65	65	65	7,800	7,900	169	133	191	133	11,800	11,900	309	259	377	259
3,900	4,000	67	67	67	67	7,900	8,000	172	135	194	135	11,900	12,000	314	262	382	262

* This column must also be used by a qualifying widow(er).

If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:			
More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household
12,000						18,000						24,000					
12,000	12,100	319	266	386	266	18,000	18,100	605	488	680	488	24,000	24,100	899	770	974	770
12,100	12,200	324	269	391	269	18,100	18,200	610	493	685	493	24,100	24,200	904	775	979	775
12,200	12,300	328	272	396	272	18,200	18,300	615	498	690	498	24,200	24,300	909	780	984	780
12,300	12,400	333	275	401	275	18,300	18,400	620	502	695	502	24,300	24,400	914	785	989	785
12,400	12,500	338	278	406	278	18,400	18,500	625	507	700	507	24,400	24,500	919	790	994	790
12,500	12,600	342	282	411	282	18,500	18,600	629	512	705	512	24,500	24,600	923	795	999	795
12,600	12,700	347	285	416	285	18,600	18,700	634	517	710	517	24,600	24,700	928	800	1,004	800
12,700	12,800	352	288	421	288	18,700	18,800	639	521	715	521	24,700	24,800	933	805	1,009	805
12,800	12,900	356	291	426	291	18,800	18,900	644	526	720	526	24,800	24,900	938	810	1,014	810
12,900	13,000	361	294	431	294	18,900	19,000	649	531	725	531	24,900	25,000	943	815	1,019	815
13,000						19,000						25,000					
13,000	13,100	366	298	435	298	19,000	19,100	654	535	729	535	25,000	25,100	948	819	1,023	819
13,100	13,200	371	301	440	301	19,100	19,200	659	540	734	540	25,100	25,200	953	824	1,028	824
13,200	13,300	375	304	445	304	19,200	19,300	664	545	739	545	25,200	25,300	958	829	1,033	829
13,300	13,400	380	307	450	307	19,300	19,400	669	549	744	549	25,300	25,400	963	834	1,038	834
13,400	13,500	385	310	455	310	19,400	19,500	674	554	749	554	25,400	25,500	968	839	1,043	839
13,500	13,600	389	314	460	314	19,500	19,600	678	559	754	559	25,500	25,600	972	844	1,048	844
13,600	13,700	394	317	465	317	19,600	19,700	683	564	759	564	25,600	25,700	977	849	1,053	849
13,700	13,800	399	320	470	320	19,700	19,800	688	568	764	568	25,700	25,800	982	854	1,058	854
13,800	13,900	403	323	475	323	19,800	19,900	693	573	769	573	25,800	25,900	987	859	1,063	859
13,900	14,000	408	326	480	326	19,900	20,000	698	578	774	578	25,900	26,000	992	864	1,068	864
14,000						20,000						26,000					
14,000	14,100	413	330	484	330	20,000	20,100	703	582	778	582	26,000	26,100	997	868	1,072	868
14,100	14,200	418	333	489	333	20,100	20,200	708	587	783	587	26,100	26,200	1,002	873	1,077	873
14,200	14,300	422	336	494	336	20,200	20,300	713	592	788	592	26,200	26,300	1,007	878	1,082	878
14,300	14,400	427	339	499	339	20,300	20,400	718	596	793	596	26,300	26,400	1,012	883	1,087	883
14,400	14,500	432	342	504	342	20,400	20,500	723	601	798	601	26,400	26,500	1,017	888	1,092	888
14,500	14,600	436	346	509	346	20,500	20,600	727	606	803	606	26,500	26,600	1,021	893	1,097	893
14,600	14,700	441	349	514	349	20,600	20,700	732	611	808	611	26,600	26,700	1,026	898	1,102	898
14,700	14,800	446	352	519	352	20,700	20,800	737	615	813	615	26,700	26,800	1,031	903	1,107	903
14,800	14,900	450	355	524	355	20,800	20,900	742	620	818	620	26,800	26,900	1,036	908	1,112	908
14,900	15,000	455	358	529	358	20,900	21,000	747	625	823	625	26,900	27,000	1,041	913	1,117	913
15,000						21,000						27,000					
15,000	15,100	460	362	533	362	21,000	21,100	752	629	827	629	27,000	27,100	1,046	917	1,121	917
15,100	15,200	465	365	538	365	21,100	21,200	757	634	832	634	27,100	27,200	1,051	922	1,126	922
15,200	15,300	469	368	543	368	21,200	21,300	762	639	837	639	27,200	27,300	1,056	927	1,131	927
15,300	15,400	474	371	548	371	21,300	21,400	767	643	842	643	27,300	27,400	1,061	932	1,136	932
15,400	15,500	479	374	553	374	21,400	21,500	772	648	847	648	27,400	27,500	1,066	937	1,141	937
15,500	15,600	483	378	558	378	21,500	21,600	776	653	852	653	27,500	27,600	1,070	942	1,146	942
15,600	15,700	488	381	563	381	21,600	21,700	781	658	857	658	27,600	27,700	1,075	947	1,151	947
15,700	15,800	493	384	568	384	21,700	21,800	786	662	862	662	27,700	27,800	1,080	952	1,156	952
15,800	15,900	497	387	573	387	21,800	21,900	791	667	867	667	27,800	27,900	1,085	957	1,161	957
15,900	16,000	502	390	578	390	21,900	22,000	796	672	872	672	27,900	28,000	1,090	962	1,166	962
16,000						22,000						28,000					
16,000	16,100	507	394	582	394	22,000	22,100	801	676	876	676	28,000	28,100	1,095	966	1,170	966
16,100	16,200	512	399	587	399	22,100	22,200	806	681	881	681	28,100	28,200	1,100	971	1,175	971
16,200	16,300	517	404	592	404	22,200	22,300	811	686	886	686	28,200	28,300	1,105	976	1,180	976
16,300	16,400	522	408	597	408	22,300	22,400	816	690	891	690	28,300	28,400	1,110	981	1,185	981
16,400	16,500	527	413	602	413	22,400	22,500	821	695	896	695	28,400	28,500	1,115	986	1,190	986
16,500	16,600	531	418	607	418	22,500	22,600	825	700	901	700	28,500	28,600	1,119	991	1,195	991
16,600	16,700	536	423	612	423	22,600	22,700	830	705	906	705	28,600	28,700	1,124	996	1,200	996
16,700	16,800	541	427	617	427	22,700	22,800	835	709	911	709	28,700	28,800	1,129	1,001	1,205	1,001
16,800	16,900	546	432	622	432	22,800	22,900	840	714	916	714	28,800	28,900	1,134	1,006	1,210	1,006
16,900	17,000	551	437	627	437	22,900	23,000	845	719	921	719	28,900	29,000	1,139	1,011	1,215	1,011
17,000						23,000						29,000					
17,000	17,100	556	441	631	441	23,000	23,100	850	723	925	723	29,000	29,100	1,144	1,015	1,219	1,015
17,100	17,200	561	446	636	446	23,100	23,200	855	728	930	728	29,100	29,200	1,149	1,020	1,224	1,020
17,200	17,300	566	451	641	451	23,200	23,300	860	733	935	733	29,200	29,300	1,154	1,025	1,229	1,025
17,300	17,400	571	455	646	455	23,300	23,400	865	737	940	737	29,300	29,400	1,159	1,030	1,234	1,030
17,400	17,500	576	460	651	460	23,400	23,500	870	742	945	742	29,400	29,500	1,164	1,035	1,239	1,035
17,500	17,600	580	465	656	465	23,500	23,600	874	747	950	747	29,500	29,600	1,168	1,040	1,244	1,040
17,600	17,700	585	470	661	470	23,600	23,700	879	752	955	752	29,600	29,700	1,173	1,045	1,249	1,045
17,700	17,800	590	474	666	474	23,700	23,800	884	756	960	756	29,700	29,800	1,178	1,050	1,254	1,050
17,800	17,900	595	479	671	479	23,800	23,900	889	761	965	761	29,800	29,900	1,183	1,055	1,259	1,055
17,900	18,000	600	484	676	484	23,900	24,000	894	766	970	766	29,900	30,000	1,188	1,060	1,264	1,060

* This column must also be used by a qualifying widow(er).

If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:			
More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household
84,000		88,000				92,000											
84,000	84,100	3,839	3,710	3,914	3,710	88,000	88,100	4,035	3,906	4,110	3,906	92,000	92,100	4,231	4,102	4,306	4,102
84,100	84,200	3,844	3,715	3,919	3,715	88,100	88,200	4,040	3,911	4,115	3,911	92,100	92,200	4,236	4,107	4,311	4,107
84,200	84,300	3,849	3,720	3,924	3,720	88,200	88,300	4,045	3,916	4,120	3,916	92,200	92,300	4,241	4,112	4,316	4,112
84,300	84,400	3,854	3,725	3,929	3,725	88,300	88,400	4,050	3,921	4,125	3,921	92,300	92,400	4,246	4,117	4,321	4,117
84,400	84,500	3,859	3,730	3,934	3,730	88,400	88,500	4,055	3,926	4,130	3,926	92,400	92,500	4,251	4,122	4,326	4,122
84,500	84,600	3,863	3,735	3,939	3,735	88,500	88,600	4,059	3,931	4,135	3,931	92,500	92,600	4,255	4,127	4,331	4,127
84,600	84,700	3,868	3,740	3,944	3,740	88,600	88,700	4,064	3,936	4,140	3,936	92,600	92,700	4,260	4,132	4,336	4,132
84,700	84,800	3,873	3,745	3,949	3,745	88,700	88,800	4,069	3,941	4,145	3,941	92,700	92,800	4,265	4,137	4,341	4,137
84,800	84,900	3,878	3,750	3,954	3,750	88,800	88,900	4,074	3,946	4,150	3,946	92,800	92,900	4,270	4,142	4,346	4,142
84,900	85,000	3,883	3,755	3,959	3,755	88,900	89,000	4,079	3,951	4,155	3,951	92,900	93,000	4,275	4,147	4,351	4,147
85,000		89,000				93,000											
85,000	85,100	3,888	3,759	3,963	3,759	89,000	89,100	4,084	3,955	4,159	3,955	93,000	93,100	4,280	4,151	4,355	4,151
85,100	85,200	3,893	3,764	3,968	3,764	89,100	89,200	4,089	3,960	4,164	3,960	93,100	93,200	4,285	4,156	4,360	4,156
85,200	85,300	3,898	3,769	3,973	3,769	89,200	89,300	4,094	3,965	4,169	3,965	93,200	93,300	4,290	4,161	4,365	4,161
85,300	85,400	3,903	3,774	3,978	3,774	89,300	89,400	4,099	3,970	4,174	3,970	93,300	93,400	4,295	4,166	4,370	4,166
85,400	85,500	3,908	3,779	3,983	3,779	89,400	89,500	4,104	3,975	4,179	3,975	93,400	93,500	4,300	4,171	4,375	4,171
85,500	85,600	3,912	3,784	3,988	3,784	89,500	89,600	4,108	3,980	4,184	3,980	93,500	93,600	4,304	4,176	4,380	4,176
85,600	85,700	3,917	3,789	3,993	3,789	89,600	89,700	4,113	3,985	4,189	3,985	93,600	93,700	4,309	4,181	4,385	4,181
85,700	85,800	3,922	3,794	3,998	3,794	89,700	89,800	4,118	3,990	4,194	3,990	93,700	93,800	4,314	4,186	4,390	4,186
85,800	85,900	3,927	3,799	4,003	3,799	89,800	89,900	4,123	3,995	4,199	3,995	93,800	93,900	4,319	4,191	4,395	4,191
85,900	86,000	3,932	3,804	4,008	3,804	89,900	90,000	4,128	4,000	4,204	4,000	93,900	94,000	4,324	4,196	4,400	4,196
86,000		90,000				94,000											
86,000	86,100	3,937	3,808	4,012	3,808	90,000	90,100	4,133	4,004	4,208	4,004	94,000	94,100	4,329	4,200	4,404	4,200
86,100	86,200	3,942	3,813	4,017	3,813	90,100	90,200	4,138	4,009	4,213	4,009	94,100	94,200	4,334	4,205	4,409	4,205
86,200	86,300	3,947	3,818	4,022	3,818	90,200	90,300	4,143	4,014	4,218	4,014	94,200	94,300	4,339	4,210	4,414	4,210
86,300	86,400	3,952	3,823	4,027	3,823	90,300	90,400	4,148	4,019	4,223	4,019	94,300	94,400	4,344	4,215	4,419	4,215
86,400	86,500	3,957	3,828	4,032	3,828	90,400	90,500	4,153	4,024	4,228	4,024	94,400	94,500	4,349	4,220	4,424	4,220
86,500	86,600	3,961	3,833	4,037	3,833	90,500	90,600	4,157	4,029	4,233	4,029	94,500	94,600	4,353	4,225	4,429	4,225
86,600	86,700	3,966	3,838	4,042	3,838	90,600	90,700	4,162	4,034	4,238	4,034	94,600	94,700	4,358	4,230	4,434	4,230
86,700	86,800	3,971	3,843	4,047	3,843	90,700	90,800	4,167	4,039	4,243	4,039	94,700	94,800	4,363	4,235	4,439	4,235
86,800	86,900	3,976	3,848	4,052	3,848	90,800	90,900	4,172	4,044	4,248	4,044	94,800	94,900	4,368	4,240	4,444	4,240
86,900	87,000	3,981	3,853	4,057	3,853	90,900	91,000	4,177	4,049	4,253	4,049	94,900	95,000	4,373	4,245	4,449	4,245
87,000		91,000				95,000											
87,000	87,100	3,986	3,857	4,061	3,857	91,000	91,100	4,182	4,053	4,257	4,053	95,000	95,100	4,378	4,249	4,453	4,249
87,100	87,200	3,991	3,862	4,066	3,862	91,100	91,200	4,187	4,058	4,262	4,058	95,100	95,200	4,383	4,254	4,458	4,254
87,200	87,300	3,996	3,867	4,071	3,867	91,200	91,300	4,192	4,063	4,267	4,063	95,200	95,300	4,388	4,259	4,463	4,259
87,300	87,400	4,001	3,872	4,076	3,872	91,300	91,400	4,197	4,068	4,272	4,068	95,300	95,400	4,393	4,264	4,468	4,264
87,400	87,500	4,006	3,877	4,081	3,877	91,400	91,500	4,202	4,073	4,277	4,073	95,400	95,500	4,398	4,269	4,473	4,269
87,500	87,600	4,010	3,882	4,086	3,882	91,500	91,600	4,206	4,078	4,282	4,078	95,500	95,600	4,402	4,274	4,478	4,274
87,600	87,700	4,015	3,887	4,091	3,887	91,600	91,700	4,211	4,083	4,287	4,083	95,600	95,700	4,407	4,279	4,483	4,279
87,700	87,800	4,020	3,892	4,096	3,892	91,700	91,800	4,216	4,088	4,292	4,088	95,700	95,800	4,412	4,284	4,488	4,284
87,800	87,900	4,025	3,897	4,101	3,897	91,800	91,900	4,221	4,093	4,297	4,093	95,800	95,900	4,417	4,289	4,493	4,289
87,900	88,000	4,030	3,902	4,106	3,902	91,900	92,000	4,226	4,098	4,302	4,098	95,900	96,000	4,422	4,294	4,498	4,294

If line 17 of Form PIT-1 (Taxable Income) is **over \$96,000** use the following table to compute your tax.

If you are:	Your Tax is...	plus	of taxable income in excess of:
Single	\$4,422.00	4.9%	\$96,000
Married Filing Jointly	\$4,294.00	4.9%	\$96,000
Married Filing Separately	\$4,498.00	4.9%	\$96,000
Head of Household	\$4,294.00	4.9%	\$96,000

* This column must also be used by a qualifying widow(er).