

***New Mexico Taxation
and
Revenue Department***

***Tax Information
for
New Mexico's
Low-Income
Filers***



**poffice@state.nm.us
Tax Information & Policy**



***New Mexico Taxation
and
Revenue Department***

Joseph Montoya Building
1100 St. Francis Drive
Santa Fe, NM 87505

Tax Help for New Mexico's Low-Income Filers ...

DISTRICT TAX OFFICES:

New Mexico offers free state income tax help and filing service to low-income filers (modified gross income of \$22,000 or less) at these TRD district tax offices (**All are 505 area code. They are not toll-free**):

1. District A (Santa Fe) **827-0951**
2. District B (Albuquerque) **841-6200**
3. District C (Las Cruces) **524-6225**
4. District D (Roswell) **624-6065**

Carlsbad (885-5616); **Clovis** (763-5515) and **Hobbs** (393-0163) **calls transfer to Roswell.**

Farmington (Dist. B) 325-5049

VITA (IRS):

The Internal Revenue Service provides electronic filing and tax help programs through **VITA** (Volunteer Income Tax Assistance). The IRS-trained volunteers prepare basic income tax returns free of charge for people with low-to-moderate income and for non-English speakers, the disabled, or the elderly. The volunteers are trained in New Mexico tax issues too. Call **toll free 800-829-1040** to learn about VITA tax-preparation sites near you.

During income tax season your New Mexico district tax office (see telephone numbers above) has a list of VITA sites in your area.

AARP'S TAX-AIDE PROGRAM:

Tax-Aide is a non-profit, confidential tax assistance program operated by the American Association of Retired Persons (AARP).

Tax-Aide prepares returns and answers tax questions for all taxpayers of middle and low income with special attention for those 60 years old and older. The service is available annually February 1-April 15. If you have a complex tax return, AARP advises you to seek professional tax assistance.

To find a Tax-Aide site near you call **toll free 888-227-7669** or visit the web site at **www.aarp.org/taxaide**.

WHAT TO TAKE WITH YOU:

When you go to any tax volunteer for help, the process is easy if you take:

- ◆ Current tax forms and booklet;
- ◆ Last year's tax returns;
- ◆ W-2 and W-2p forms from each employer if you earned a salary;
- ◆ SSA-1099 form if you received social security benefits;
- ◆ All 1099 forms for dividends, interest or other payments;
- ◆ 1099R forms for pension or annuity paid to you;
- ◆ Receipts and canceled checks if you are itemizing deductions;



- ◆ Child Day Care caregiver's statements (form PIT-CG). These statements must accompany your 2001 PIT-1-RC return, or TRD can not issue a credit to you.

What's Available & How To Find It

New Mexico residents not required to file a federal tax return with the IRS also are not required to file a New Mexico Personal Income Tax (PIT) return, **BUT—** you may wish to do so anyway to claim certain rebates and credits offered to low-income filers. These lessen the impact of the gross receipts tax businesses recover from buyers in daily transactions.

STEP ONE:

Complete a federal return or a “dummy” or *pro forma* federal return because the federal adjusted gross income figure on that form is the first number you need to claim your New Mexico rebates and credits.

STEP TWO:

Complete a New Mexico PIT-1 form and the PIT-1-RC (rebates and credits) schedule. Be sure to read all PIT-1-RC instructions carefully. The definitions you need are in the instructions. Pay special attention to the definition of “modified gross income,” a concept unique to New Mexico.*



For All Low-Income Filers

To claim the **Low-Income Comprehensive Tax Rebate** you must have a modified gross income* of \$22,000 or less, be a resident of this state on the last day of the tax year, and be physically present here for at least six months. You may not be a dependent of another taxpayer for the tax year, nor may you be an inmate of a public institution for more than six months during the tax year.

To claim the **Child Day Care Credit** (which may not exceed \$1,200), you must have a modified gross income* of \$21,424 or less, be a resident of this state on the last day of the tax year, furnish more than half the cost of maintaining a home for one or more qualifying dependents for the part of the year for which you claim the credit, be gainfully employed for the part of the year for which you claim the credit, and you may not receive public assistance under a program of temporary assistance for needy families—or a similar program—for the part of the year claimed.

Your caregiver, who must be at least 18 years old and who may not be your dependent, must provide day care for fewer than 24



hours a day. You will receive a Form PIT-CG (caregiver's statement) from the caregiver. You need that statement to complete the worksheet on the PIT-1-RC, and you must submit it with your PIT-1-RC to receive the credit.

There are differing directions for spouses filing jointly and filing separately. Please check the PIT-1-RC instructions.

For Age 65 and Older With

Low Income



New Mexico seniors with a modified gross income* of \$22,000 or lower may qualify

for the personal income tax low-income comprehensive tax rebate. Those with modified gross income of \$16,000 also may qualify for the property tax rebate reserved for persons 65 or older. Check the instructions for the PIT-1-RC schedule. The property tax rebate helps with tax billed on your principal place of residence. It also helps to defray your share of tax costs paid through rent for your principal place of residence. The rebates can make a big difference for people on fixed incomes.

Your New Mexico district tax office can help with your return (see “Tax Help for New Mexico’s Low-Income Filers”).

***Modified gross income includes income from most—but not all—sources. Check the PIT-1-RC instructions.**

Property Tax

Although New Mexico offers property tax rebates for certain New Mexico personal income tax (PIT) filers, the property tax and the personal income tax are separate taxes. See the PIT information at left for income tax rebates. The PIT-1-RC instructions have more information on low-income property tax rebates for seniors.

Beginning in tax year 2001 there is a special rebate of up to \$350 (married filing jointly) per return for low-income residents of Los Alamos County only, even those under 65.

Among other criteria to claim the Los Alamos rebate are a modified gross income* of \$24,000 or less and a principal place of residence in Los Alamos County. Please see the instructions for PIT-1-RC to check whether you are eligible.

The blue-trimmed pages of your local telephone directory contain the telephone number of your county assessor. The county assessor administers the property tax where you live.

**New Mexico Taxation
and
Revenue Department**

Joseph Montoya Building
1100 St. Francis Drive
Santa Fe, NM 87505