
FYI-330

New Mexico
Taxation and Revenue Department

FOR YOUR INFORMATION

Tax Information/Policy Office ♦ P.O. Box 630 ♦ Santa Fe, New Mexico 87504-0630

INFORMATION RETURNS and MAGNETIC MEDIA FILING

2010

This publication discusses New Mexico's requirements for information returns submitted on paper forms, magnetic media, or through the Combined Federal/State Filing Program. It addresses obligations of employers, payers, remitters of oil and gas proceeds, and gambling establishment operators.

Note: New Mexico requires the following information returns: federal forms 1099-R, 1099-MISC (for oil and gas rents and royalties), W-2 and W-2G. Remitters of oil and gas proceeds who make payments to *nonresidents* of New Mexico from wells located in New Mexico should also see New Mexico Form RPD-41285 for annual statements of withholding and information returns. Employers, payers, remitters of oil and gas proceeds, and operators of gambling establishments may choose to file by paper return, magnetic media or electronic transmission via the Combined Federal/State program.

CONTENTS

Information Returns.....	page 2
Annual Summaries (Yearly Reconciliation Forms).....	page 3
Submitting Information Returns to the Department.....	page 4
Due Dates for Information Returns	page 4
Magnetic Media	page 5
Combined Federal/State Filing Program	page 6
When and Where to File	page 8
Taxpayer Information	page 9
For Further Assistance	page 10

Taxpayers should be aware that subsequent legislation, regulations, court decisions, revenue rulings, notices and announcements might affect the accuracy of this publication's contents. Please contact the district tax office nearest you (see the last page of this publication) or check the Department's web site at www.tax.state.nm.us. Click on "publications" or use the search engine.

Information Returns

New Mexico gathers two primary categories of information returns:

- **From W-2, W-2G and 1099-R Filers.** This category includes those who withhold from wages; gambling winnings when there is a corresponding requirement to withhold for federal purposes, and pensions or annuities. The Taxation and Revenue Department requires copies of federal information returns W-2, W-2G and 1099-R. Send information returns to the New Mexico Taxation and Revenue Department. See chart on page 7 for the address.
- **From remitters of oil and gas proceeds from wells located in New Mexico:**
 - 1) If you are required to file federal Form 1099-MISC, separate the New Mexico rents and royalties from rents and royalties paid everywhere. Report to this Department only amounts from New Mexico properties;
 - 2) Oil and gas *proceeds* often include rents and royalties among other kinds of payments. Remitters of such proceeds --- and payers of oil and gas rents and royalties who are not required to file federal Form 1099-MISC -- should submit either Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds* (alike in purpose to a W-2), or a *pro forma* 1099-MISC or equivalent for payments made to nonresidents of New Mexico.
 - 3) All remitters send Form RPD-41283, *Annual Summary of Oil and Gas Proceeds Withholding Tax* (reconciliation form), with paper copies of the information returns to the New Mexico Taxation and Revenue Department. See chart on page 6 for the address. Check the TRD web site at www.tax.state.nm.us. A special link connects you to the Oil and Gas withholding bulletin, forms, instructions and frequently asked questions.

Additionally, **other information returns** that include New Mexico income tax withheld must be sent to the Department.

Taxpayers may submit *corrected* information returns at any time.

New Mexico law requires: **1.) every employer** to file an annual statement of withholding (W-2) for each employee; **2.) every payer** to file an annual statement of withholding (1099-R) for each individual from whom some portion of a pension or annuity has been deducted and withheld, and **3.) every gambling establishment operator** who must deduct and withhold tax from payment of winnings subject to federal withholding tax to file an annual statement of withholding (W-2G) for each wagerer from whom some portion of a payment of winnings has been deducted and withheld for federal purposes. (Section 7-3-7 NMSA 1978)

New Mexico law requires: Every remitter of oil and gas proceeds shall file an annual statement of withholding to the department, for each remittee. This statement shall be filed with the department on or before the last day of February of the year following that for which the statement is made. It shall include the total oil and gas proceeds paid to the remittee and the total amount of tax withheld for the calendar year.

A copy of the annual statement of withholding shall be furnished to the remittee by the remitter on or before February 15 of the year following the year for which the statement is made.
(Section 7-3A-7 NMSA 1978)

The Taxation and Revenue Department may require information returns from any person doing business in New Mexico who makes payments in the course of business to another person. (Section 7-2-20 NMSA 1978)

Annual Summaries (Yearly Reconciliation Forms)

The annual summary reconciles withholding tax paid to the Department to totals withheld from payments and reported on information returns. The Department has two annual summaries, **Forms RPD-41072 Annual Summary of Withholding Tax for CRS Filers, and RPD-41283 Annual Summary of Withholding of Oil and Gas Proceeds.**

Complete Form RPD-41072, *Annual Summary of Withholding Tax for CRS Filers*, for income and withholding related to payroll, retirement income, gambling winnings and all other withholding paid on the New Mexico Form CRS-1. Note: While you are required to complete and keep a copy of Form RPD-41072 in your records, you are not required to submit it to this Department.

File Form RPD-41284, *Quarterly Oil and Gas Proceeds Withholding Tax Return*, for income and withholding related to the Oil and Gas Proceeds Withholding Tax Act. You must attach all applicable information returns, but only when the information returns are filed in paper. Information returns filed by other methods do not need to be attached.

Correcting Errors in Withholding

- **For underpayments of withholding tax** amend the return for the period in which the withholding tax was incorrectly reported. File CRS-1 Forms for CRS-related withholding and Form RPD-41284 for withholding related to oil and gas proceeds. Submit the amended report(s) with a check or money order for the tax due.
- **For overpayments of withholding tax** for which you wish a refund, amend the proper return(s) for the period in which the tax was incorrectly reported. Attach a completed Form RPD-41071, *Application for Tax Refund*.

Submitting Information Returns to the Department

New Mexico accepts information returns in the following formats:

- Paper copies,
- Magnetic media complying with the Social Security Administration's requirements for information return filed on Forms W-2 and W-2c. New Mexico also allows the use of compact discs;
- Electronic transmission through the Combined Federal/State Filing Program with IRS approval. Information returns that may be submitted using this program include, Forms 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R and 5498. State records must be included and must bear codes for forwarding to New Mexico.

The New Mexico Taxation and Revenue Department does not require use of a particular method, but it does encourage filing by magnetic media or electronic transmission whenever possible.

Due Dates for Information Returns

1) Forms W-2, W-2G and 1099-R

Deadlines: The deadline for employers, payers and gambling establishment operators to file copies of Forms W-2, W-2G and 1099-R is annually on the last day of February. See the mailing address in the chart on page 6.

New Mexico requires employers, payers and operators to give copies of the W-2, W-2G and 1099-R to employees, payees and wagers on or before January 31.

2) 1099-MISC: Oil and Gas Rents and Royalties

Deadlines: Persons who: 1) pay rents and royalties on production from New Mexico's oil and gas properties *and* 2) file federal Form 1099-MISC for the payments must submit 1099-MISC statements to the Department for the New Mexico amounts annually by the last day of February following the close of the calendar year.

Remitters (payers) of proceeds from oil or gas wells located in New Mexico who have withheld from payments according to the Oil and Gas Proceeds Withholding Tax Act (7-3A-1 NMSA 1978) for nonresident recipients should submit a statement of income and withholding to the Department on Form RPD-41285 annually by the last day of February.

Even when federal law does not require remitters to file federal Form 1099-MISC information returns, the remitters nevertheless must file an annual statement of withholding according to New Mexico's Oil and Gas Proceeds Withholding Tax Act. You may submit Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*; a *pro forma* federal Form 1099-MISC, or a form containing the equivalent

information. Send a copy of the annual statement of withholding of oil and gas proceeds to the remittee (recipient) by February 15.

Remitters must submit Form RPD-41283, *Annual Summary of Oil and Gas Proceeds Withholding Tax*. Attach information returns for each recipient of oil and gas proceeds from whom withholding was required. **Note:** *If you submit federal Form 1099-MISC information returns by electronic transfer using the combined fed/state filing program -- records must bear codes for forwarding to New Mexico -- you do not need to send paper copies of federal Form 1099-MISC with the annual summary.*

File Form 1099-MISC *only* for income from oil and gas rents or royalties and for oil and gas proceeds withholding. No other 1099-MISC is necessary. See the chart on page 6.

Magnetic Media

“Magnetic media” refers to the physical means used to deliver a file containing employer wage and tax reporting information. It does not refer to the actual format of the data file being delivered. Magnetic media does not include paper or direct electronic transmission.

Magnetic media filings must comply with the reporting requirements of the Social Security Administration (SSA) for information returns. *Only information returns may be filed via magnetic media in New Mexico.* *Note:* The SSA does not pass the information reported to New Mexico. A separate filing is required. To learn more about SSA specifications for filing W-2 and W-2c information returns electronically, search the SSA website at www.socialsecurity.gov for the filing specifications.

The New Mexico Taxation and Revenue Department accepts duplicate copies of the W-2 and W-2c electronic file submitted to the Social Security Administration when the copy contains the “RE” and “RS” records with the state reporting information or the “RCE” and “RCS” records for corrected information returns.

For 2009 information returns filed in 2010, New Mexico will begin to require one state specific field within the SSA format. We require the addition of the CRS Identification Number under which the withheld tax was paid to the Department. For those companies that can implement the addition of the state specific field for 2009 information returns filed in 2010, using the EFW2 specifications, the CRS Identification Number should be added to:

RS Position	Field Name	Length	State Defined Specifications
298-307	Other State Data	10	Enter the CRS Identification Number. All numeric, no spaces, special characters or dashes. Drop the leading zero.

For 2009 information returns filed in 2010, using the EFW2C specifications, the CRS Identification Number should be added to:

RCS Position	Field Name	Length	State Defined Specifications
442-461	Other State Data	10	Enter the CRS Identification Number. - All numeric, no spaces, special characters or dashes. Drop the leading zero.

If you report on magnetic media, please affix specific information (company name, New Mexico CRS identification number, FEIN, number of records) to the exterior label. Magnetic media becomes the property of the State of New Mexico.

Where and When to Submit Magnetic Media: Send the magnetic media filings of W-2 and W-2G forms to the New Mexico Taxation and Revenue Department, P.O. Box 25128, Santa Fe, NM, 87504-5128, on or before the last day of February. Corrected copies may be submitted at anytime.

Acceptable media: New Mexico accepts copies of magnetic media filings in the media types approved by the SSA. New Mexico also accepts copies of the SSA file on a Compact Disc (CD).

Submitting encrypted files: If sending an encrypted copy of the SSA file to the Department, submit the file on magnetic media to the above address in the usual manner. Under different cover, submit instructions for opening the file and any required password to Gale Kessler at P.O. Box 630, Santa Fe, NM 87504-5128. You may also submit the instruction for opening the file and any required password to gale.kessler@state.nm.us.

New Mexico does not require a special transmittal form with your magnetic media disk, cassette or CD.

Combined Federal/State Filing Program

New Mexico participates in the Combined Federal/State Filing Program for filing Form 1099 information returns through electronic transfer. The IRS transfers properly coded filings to participating states for approved filers. Separate reporting to those states is not required. Specifications and requirements adhere to those in Internal Revenue Service Publication 1220. The IRS forwards all properly coded records to New Mexico.

Note: New Mexico's program code is 35. To learn more about IRS specifications for filing 1099 information returns electronically on the Combined Fed/State Filing Program, search the IRS website at www.irs.gov for Publication 1220.

For 2009 information returns filed in 2010, New Mexico will begin to require one state specific field within the Combined Federal/State Filing format. We require the addition of the CRS Identification Number under which the withheld tax was paid to the Department. For

those companies that can implement the addition of the state specific field for 2009 information returns filed in 2010, the CRS Identification Number should be included in the electronic file as follows:

In the Payee "B" Record

Field Position	Field Title	Length	State Defined Specifications
663-722	Special Data Entries	60 available. Utilize only the first 11 spaces.	Enter the 11 digit CRS Identification Number. All numeric, no spaces, special characters or dashes.

New Mexico requires notification that the payer is filing information returns through the Combined Federal/State Filing Program. Submit a letter of intent to the New Mexico Taxation and Revenue Department, Personal Income Tax Unit, P.O. Box 25122, Santa Fe, New Mexico 87504-5122.

When and Where to File

CRS FILERS	OIL AND GAS FILERS
<p>Send Forms W-2, W-2G and 1099-R to TRD by last day of February of following year.</p> <p>Send to withholdees by January 31 of following year.</p>	<p>Use Form 1099-MISC for payments to New Mexico residents. Send to TRD by June 15 of following year. Send to recipients by February 15.</p> <p>Use Forms 1099-MISC or RPD-41285 for payments to nonresidents of New Mexico when withholding is required. Send to TRD by the last day of February of the following year. Send to recipients by February 15.</p> <p>If Form 1099-MISC is not required federally, send to TRD either form RPD-41285 or a <i>pro forma</i> form 1099-MISC or equivalent by last day of February. Send to recipients by February 15.</p>
<p>Annual Summary (reconciliation) Form RPD-41072 must be completed and kept in your records. You do not need to submit the reconciliation form to this Department unless specifically requested to do so.</p>	<p>Annual Summary (reconciliation) Form RPD-41283. Send with paper returns by the last day of February of the following year. You may choose to send under separate cover if using the Combined Federal/State Filing Program to submit federally required 1099MISC.</p>
<p>Send all CRS-related information returns to: New Mexico Taxation and Revenue Department, P.O. Box 25128, Santa Fe, NM 87504-5128.</p>	<p>Send Oil and Gas information returns to: New Mexico Taxation and Revenue Department, P.O. Box 25127, Santa Fe, NM 87504-5127.</p>

TAXPAYER INFORMATION

The Department offers a variety of taxpayer information. Some information is free and other information must be purchased.

General Information. FYIs and Bulletins present general information with a minimum of technical language. All FYIs and Bulletins are free and available through all local tax offices, the Tax Information and Policy Office and on the Internet. The Taxation and Revenue Department's Internet address is:

www.tax.state.nm.us

Regulations. The Department established regulations to interpret and exemplify the various tax acts it administers. The Taxation and Revenue Department regulation book is available from the New Mexico Compilation Commission on a prepaid basis. The Compilation Commission also has a compact disk of all statutes and regulations. Specific regulations are also available at the State Records Center or on its web page at www.nmcpr.state.nm.us/nmac.

Order regulation books directly from:

New Mexico Compilation Commission
<http://www.nmcompcomm.us/index.html>

Rulings. Rulings signed by the Secretary and approved by the Attorney General are written statements that apply to one or a small number of taxpayers. A taxpayer may request a ruling (at no charge) to clarify its tax liability or responsibility under specific circumstances. The request for a ruling must be in writing, include accurate taxpayer identification and the details about the taxpayer's situation, and be addressed to the Secretary of the Taxation and Revenue Department, P.O. Box 630, Santa Fe, NM 87504-0630. The taxpayer's representative, such as an accountant or attorney, may request a ruling on behalf of the taxpayer but must disclose the name of the taxpayer. While the Department is not required to issue a ruling when requested to do so, every request is carefully considered.

The Department will not issue a ruling to a taxpayer who is undergoing an audit, who has an outstanding assessment, or who is involved in a protest or litigation with the Department over the subject matter of the request. The Secretary may modify or withdraw any previously issued ruling and is required to withdraw or modify any ruling when subsequent legislation, regulations, final court decisions or other rulings invalidate a ruling or portions of a ruling. Taxation and Revenue Department rulings are compiled and available on the Department's web page free of charge at www.tax.state.nm.us. Click on "publications."

Public Decisions & Orders. All public decisions & orders issued by the hearing officers since July 1994 are compiled and available on the Department's web page at www.tax.state.nm.us. Click on "publications."

FOR FURTHER ASSISTANCE

Local offices of the New Mexico Taxation and Revenue Department offer full service and information about New Mexico's taxes, tax programs, forms and specific information about your filing situation.

ALBUQUERQUE (505) 841-6200

Taxation and Revenue Department
First Security Bank Bldg.
5301 Central NE
P. O. Box 8485
Albuquerque, NM 87198-8485

SANTA FE (505) 827-0951

Taxation and Revenue Department
Manuel Lujan Sr. Bldg.
1200 S. St. Francis Dr.
P.O. Box 5374
Santa Fe, NM 87502-5374

FARMINGTON (505) 325-5049

Taxation and Revenue Department
3501 E. Main St., Suite N
P.O. Box 479
Farmington, NM 87499-0479

LAS CRUCES (575) 524-6225

Taxation and Revenue Department
2540 S. El Paseo Bldg. #2
P. O. Box 607
Las Cruces, NM 88004-0607

ALAMOGORDO (575) 437-2322

SILVER CITY (575) 388-4403
(above calls transfer to the Las Cruces office)

ROSWELL (575) 624-6065

Taxation and Revenue Department
400 Pennsylvania Ave., Suite 200
P.O. Box 1557
Roswell, NM 88202-1557

CARLSBAD (575) 885-5616

CLOVIS (575) 763-5515

HOBBS (575) 393-0163

(above calls transfer to the Roswell office)

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

United States Internal Revenue Service

1-800-829-1040 (national number)

www.irs.gov

This publication provides general information. It does not constitute a regulation, ruling, or decision issued by the Secretary of the New Mexico Taxation and Revenue Department. The Department is legally bound only by a regulation or a ruling [7-1-60, New Mexico Statutes Annotated, 1978]. In the event of a conflict between FYIs and statute, regulation, case law or policy, the information in FYIs is overridden by statutes, regulations and case law. Taxpayers and preparers are responsible for being aware of New Mexico tax laws and rules. Consult the Department directly if you have questions or concerns about information provided in this FYI.