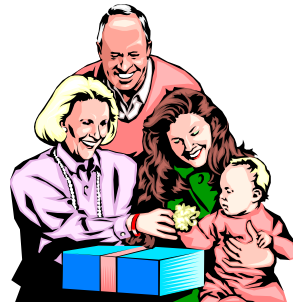


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*Tax Information  
for  
New Mexico's  
Senior Citizens*



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Tax Information  
& Policy

Revised 10/10

*New Mexico Taxation  
and Revenue Department*

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

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## Important Telephone Numbers for New Mexico Senior Tax Help

### DISTRICT TAX OFFICES:

New Mexico offers free state income tax help and filing service to low-income filers at these TRD district tax offices:

1. District A (Santa Fe) **(505) 827-0951**
2. District B:  
(Albuquerque) **(505) 841-6200**  
(Farmington) **(505) 325-5049**
3. District C (Las Cruces) **(575) 524-6225**
4. District D (Roswell) **(575) 624-6065**

### 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](http://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;
- ◆ 1099-R forms for pension or annuity paid to you;
- ◆ Receipts and canceled checks if you are itemizing deductions.■

# What's Available and How To Find It

As a New Mexico resident at least 65 years old you may claim special income tax and property tax benefits.



This brochure tells you first what all seniors may claim on New Mexico Personal Income Tax, and second, what is available to seniors who qualify for low-income tax rebates and credits.

There also is important information for seniors on property tax unrelated to income tax rebates and credits.

Finally, it contains information on how to reach the Taxation and Revenue Department and other resources ready to help you when preparing your income tax returns.

We include here only general information. You will find specific, detailed steps for certain New Mexico deductions in the appropriate tax form instructions.

As a resident of New Mexico you must file a New Mexico personal income tax return if the Internal Revenue Service (IRS) requires you to file a federal return.

If you do not have to file a federal return because your income falls below IRS minimum requirements, you may want to file a New Mexico return anyway to claim certain rebates and credits of interest to seniors.

## Rebates and Credits

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 and the property tax rebate (see “property tax” in this pamphlet) reserved for persons 65 or older. Check the instructions for the PIT-1-RC schedule to see if you are eligible. 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 in rent for your principal place of residence. The rebates can make a big difference for people on fixed incomes.

New Mexico seniors with at least \$28,000 in out-of-pocket medical expenses for themselves, their spouses or their dependents during the tax year may also claim a \$2,800 tax credit.

## Exemptions and Deductions

New Mexico income tax filers of any age may claim a deduction for the prior tax year's unreimbursed and uncompensated medical expenses not already itemized on the federal 1040 return. *This deduction is*

*not a rebate. It is for those who file a New Mexico return and have tax due.* See the instructions for Form PIT-1.

There is also an exemption for low and middle income taxpayers that is available to New Mexico filers of any age. The amount of this exemption is based upon the adjusted gross income and number of federal exemptions.



All New Mexico seniors at least 65 years old may claim a special exemption. See the instructions for PIT-ADJ. The deduction is available even to those whose federal adjusted gross income is as high as \$51,000 (if their filing status is *married filing jointly, head of household, or surviving spouse*).

New Mexico also offers deductions on the PIT-ADJ schedule for tax-exempt interest and dividends, net operating losses, interest received on US government obligations, certain railroad retirement benefits, New Mexico Medical Care Savings Accounts, and New Mexico Education Trust Board Accounts. You may claim an additional deduction for net capital gains you have already declared on your federal form. See the directions for the PIT-1 general form and the PIT-ADJ schedule of additions and deductions.

New Mexico seniors with at least \$28,000 in out-of-pocket medical expenses for themselves, their spouses or their dependents during the tax year may exempt up to \$3,000 in income from New Mexico income tax. This exemption is in addition to the \$2,800 tax credit discussed earlier in this brochure.

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

New Mexico exempts the income of persons at least 100 years old from income tax. See Bulletin B-300.3 for more information — especially important for joint filers.

## 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 remain separate taxes. See the PIT information at left for income tax deductions and rebates.

The PIT-1-RC instructions have more information about low-income property tax rebates for seniors.

The county where you live administers the property tax on your residence and other real property. **Check the blue-trimmed pages of your local telephone directory for your county assessor's telephone number.**

To keep tax costs down for seniors: beginning with the 2001 property tax year, the tax valuation of a single-family, owner-occupied residence whose owner is at least 65 years old with modified gross income\* of \$18,000 or less may not be greater than its 2001 valuation or its valuation in the year the owner reaches 65.

File personal income tax online at [www.tax.newmexico.gov](http://www.tax.newmexico.gov). Choose “online services”. ■

### *New Mexico Taxation and Revenue Department*

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