
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

INCOME AND WITHHOLDING INFORMATION RETURNS AND FILING METHODS 2018

This publication discusses New Mexico's requirements for income and withholding information including: submitting information electronically through the Department's Taxpayer Access Point (TAP), magnetic media, Combined Federal/State Filing Program or paper filing. It addresses obligations of employers, payers, remitters of oil and gas proceeds, pass-through entities and gambling establishment operators.

Starting tax year 2019, the Taxation and Revenue Department (Department) will be requiring electronic submittal of income and withholding information returns if you have more than 25 employees and the information will be due at the end of January. In preparation for this transition, the Department will be accepting electronic submissions starting January 1, 2019 for the 2018 tax year via TAP at <https://tap.state.nm.us>

Note: New Mexico requires the following information returns: federal forms W-2, W-2G, 1099-R, and 1099-Misc, (for oil and gas proceeds and pass-through entity withholding). Additionally, any other income and withholding return that includes New Mexico income tax withheld must be sent to the Department.

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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.newmexico.gov.

WHEN AND WHERE TO FILE

For all filings below, electronic filing is available and encouraged. The due date for each type of report is below. Corrected income and withholding returns can be submitted at any time.

The Departments approved electronic medium includes:

- The Departments Taxpayer Access Point (TAP) <https://tap.state.nm.us>
- Combined Federal/State Filing
- Magnetic Media (no longer accepted starting for the 2019 tax year)

INCOME AND WITHHOLDING - CRS FILERS

- Forms W-2, W-2G and 1099-R
- Due to the Department by the last day of February of the following year.
- Send to withholdees and payees by January 31 of following year.
- **Annual Summary** (reconciliation) Form RPD-41072 must be completed and kept in your records. You do not need to submit the reconciliation form to the Department unless some or all of the income and withholding return information is not provided to the Department through electronic medium.
- If mailing paper copies to the Department, send all CRS-related information returns to:
New Mexico Taxation and Revenue Department
P.O. Box 25128
Santa Fe, NM 87504-5128

OIL AND GAS FILERS

- Forms 1099-Misc, *pro forma* 1099-Misc or New Mexico Form RPD-41285 for oil and gas proceeds withholding required for a well located in New Mexico
- Due to the Department by the last day of February of the following year.
- Send to recipients by February 15th of the following year.
- **Annual Summary** (reconciliation) Form RPD-41283 must be completed and kept in your records. You do not need to submit the reconciliation form to the Department.
- If mailing paper copies to the Department, send Oil and Gas information returns to:
New Mexico Taxation and Revenue Department
P.O. Box 5779
Santa Fe, New Mexico 87502-5779

PASS-THROUGH ENTITY FILERS

- *2018 Pass-Through Entity Withholding Detail (PTW-D) Report*, Form RPD-41367
- Due to the Department on or before the due date of the entity's federal return for the taxable year. If a pass-through entity is not required to file a federal income tax return for the tax year, the entity must file this form with the Department no later than 105 days after the end of its taxable year.
- Send Forms 1099-Misc or RPD-41359 to the owners by February 15th of the following year.
- If you cannot electronically file, you can mail the report to:
New Mexico Taxation and Revenue Department
P.O. Box 25127
Santa Fe, NM 87504-5127

DEPARTMENT APPROVED ELECTRONIC MEDIA

TAXPAYER ACCESS POINT (TAP)

To file online, go to the Department's TAP web site at <https://tap.state.nm.us>. You must then create a login name and a password to access the online services that are available through TAP.

COMBINED FEDERAL/STATE FILING PROGRAM

New Mexico participates in the Combined Federal/State Filing Program for information returns through electronic transfer. 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 W2-G.

The Internal Revenue Service (IRS) transfers properly coded filings to participating states for approved filers. Specifications and requirements adhere to those in IRS Publication 1220. To learn more about the IRS specifications for filing 1099 information returns electronically go to www.irs.gov and search for Publication 1220.

The IRS forwards all properly coded records to New Mexico. The State records must be included and must include the correct code for forwarding to New Mexico. **New Mexico's program code is 35.**

New Mexico requires the addition of the CRS Identification Number under which the withheld tax was paid to the Department. The payer's 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 payer's 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

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 transmissions through TAP. New Mexico accepts copies of magnetic media filings in the media types approved by the Social Security Administration (SSA). New Mexico also accepts copies of the SSA file on a Compact Disc (CD).

Magnetic media must comply with the reporting requirements of the SSA for information returns. To learn more about SSA specifications for filing W-2 and W-2c information returns electronically, search the SSA web site at www.socialsecurity.gov for the filing specifications.

Note: Only information returns may be filed via magnetic media in New Mexico. The SSA does not pass the information reported to New Mexico. A separate filing with the Department is required.

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

New Mexico requires 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.

If using the EFW2 specifications, the employer’s CRS Identification Number should be added to:

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

If using the EFW2C specifications, the employer’s CRS Identification Number should be added to:

RCS Position	Field Name	Length	State Defined Specifications
442-461	Other State Data	20	Enter the employer’s CRS Identification Number. All numeric, no spaces, special characters or dashes.

Send the magnetic media filings of W-2 and W-2c forms to:
 New Mexico Taxation and Revenue Department
 Attention: MM, ITD
 P.O. Box 630
 Santa Fe, NM, 87504-0630,

NOTE: If you are sending an encrypted copy of the SSA file to the Department, submit the file on magnetic media to the above address. Under different cover, submit instructions for opening the file and any required password to WH.submit@state.nm.us.

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

INCOME AND WITHHOLDING RETURNS

New Mexico requires the reporting of income and withholding information

From W-2, W-2G, and 1099-R Filers:

This category includes those who withhold from wages, compensation, and gambling winnings when there is a corresponding requirement to withhold for federal purposes. It also includes withholding from pensions or annuities.

- An employer who is required to file Form ES-903A*, *Quarterly Wage and Contribution Report*, to the New Mexico Department of Workforce Solutions **OR** Form TRD-31109, *Quarterly Wage, Income, Withholding, and Workers’ Compensation Fee Report*, to the Department is **NOT** required to submit Forms W-2 to the Department.
- The Department requires information from the federal information returns W-2G and 1099-R to be provided when New Mexico tax is withheld.

- **NOTE:** Employers with more than 50 employees must file using one of the Department's approved electronic medium.
- Employers who have 50 or fewer employees are encouraged to file using one of the Department's approved electronic medium but can also file a paper submittal and mail it to:
 - New Mexico Taxation and Revenue Department
 - P.O. Box 25128**
 - Santa Fe, NM 87504-5128
- **Deadlines:**
 - Income and withholding return information must be provided to the Department by the last day of February, following the close of the calendar year.
 - Income and withholding return information must be provided to the employees, payees and wagers, on or before the last day of January, following the close of the calendar year.

From remitters of oil and gas proceeds:

- If you are required to file federal Form 1099-MISC, *Miscellaneous Income Information Return*, you must report only amount of rent and royalties paid from New Mexico Properties to the Department. To satisfy the requirements to report a remitter may file a 1099-MISC, *pro-forma* 1099-MISC, or New Mexico Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds* using one of the Departments' approved electronic medium or paper.
 - Remitters of oil and gas proceeds and payers of oil and gas rents and royalties who are not required to file federal Form 1099-MISC should submit Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*, 109-MISC or a *pro forma* 1099-MISC.
 - Remitters who have more than 50 payees that receive New Mexico oil and gas proceeds are required to file using one of the Department's approved electronic medium.
 - Remitters who have less than 50 payees are encouraged to file using one of the Department's approved electronic medium but can also file a paper submittal by mailing it to:
 - New Mexico Taxation and Revenue Department
 - P.O. Box 5779
 - Santa Fe, New Mexico 87502-5779
- **Additional Report Required:** The remitter must also complete Form RPD-41374, *Annual Report of Non-Resident Remitees Holding an Agreement to Pay Tax on Oil and Gas Proceeds (OGP-D)*, to report the distribution of oil and gas proceeds to each non-resident remittee who entered into an agreement to pay the tax on oil and gas proceeds pursuant to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act.
- To obtain help filing a return through TAP, call (505) 827-0825 in Santa Fe or toll free (866) 809-2335. You may also contact us via email at cit.taxreturnhelp@state.nm.us.
- **Deadlines:**
 - The remitters must file an annual income and withholding information return according to New Mexico's Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act.
 - RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*; or a *pro forma* Form 1099-Misc. Income and withholding return information, including Form RPD- 41374, *Annual Report of Non-Resident Remitees Holding an Agreement to Pay Tax on Oil and Gas Proceeds*, must be provided to the Department on or before the last day of February following the close of the calendar year.

- Send a copy of the income and withholding return to the remittee (recipient) by February 15, following the close of the calendar year for which the statement is made.
- If filing 1099-Misc forms electronically through the Federal/State program, your income and withholding information returns are considered filed timely if you comply with the deadlines set by the IRS for electronic filing.

From pass-through entities:

Separate income and withholding returns (1099-MISC or Form RPD-41285) are not required to be submitted to the Department because the information is included on the annual reports.

- Pass-through entities (PTE) are required to withhold from the net income of its owners, members, partners, and beneficiaries. This withholding is to be reported and remitted to the Department annually using Form RPD-41367, *2018 Pass-Through Entity Withholding Detail (PTW-D)*.
- An estate or fiduciary filing Form FID-1 will report using the *2018 Fiduciary Pass-Through Entity Withholding Detail (FID-D) Report*
 - If the PTE has more than 50 payees who receive New Mexico net income, the PTE is required to file electronically. You can file these easily through the Department's website <https://tap.state.nm.us>.
 - Remitters who have less than 50 payees are encouraged to file using one of the Department's approved electronic medium but can also file a paper submittal by mailing it to:
New Mexico Taxation and Revenue Department
P.O. Box 25127
Santa Fe, New Mexico 87504-5127
- To obtain help filing a return through TAP, call (505) 827-0825 in Santa Fe or toll free (866) 809-2335. You may also contact us via email at cit.taxreturnhelp@state.nm.us.
- Deadlines:
 - The *2018 Pass-Through Entity Withholding Detail (PTW-D) Report*, Form RPD-41367, is due on or before the due date of the entity's federal return for the tax year. If a pass-through entity is not required to file a federal income tax return for the tax year, the entity must file the with the Department no later than 105 days after the end of its taxable year.
 - The income and withholding returns, Forms 1099-Misc and RPD-41359, are not required to be submitted to the Department.
 - Send a copy of the income and withholding return to the owner, member, partner, or beneficiary by February 15, following the close of the calendar year for which the statement is made.

ANNUAL SUMMARIES (YEARLY RECONCILIATION FORMS)

The annual summary reconciles withholding tax paid to the Department to the totals withheld from payments and reported on income and withholding information returns. The department has two annual summaries:

Form RPD-41072 Annual Summary of Withholding Tax for CRS filers

Complete this form for income and withholding related to payroll, retirement income, gambling winnings, and all other withholding paid on the New Mexico Form CRS-1. This form should be completed on or before the last day of February of the year following the calendar year in which the tax was withheld, but it is only required to be submitted to the department under limited circumstances.

If you have or will be submitting the income and withholding returns to the Department through an approved electronic medium, you do not need to submit this form or submit the Federal Forms W-2, W-2G, or 1099-R to the Department.

If you will be submitting a paper submittal to the Department make sure to include the Forms W-2, W-2G, or 1099-R that were not provided to the Department otherwise. These can be mailed it to:

New Mexico Taxation and Revenue Department
P.O. Box 25128
Santa Fe, NM 87504-5128

If you find that you have underreported or over reported withholding when you are completing the annual summary you will have to file amended Form CRS-1's for every period effected. If you have discovered an overpayment that is due back to you, you will have to complete the Form RPD-41071, *Application for Tax Refund*. If additional tax is due, make sure to submit payment with the amended submission of Form CRS-1.

Form RPD-41283, *Annual Summary of Withholding of Oil and Gas Proceeds*

Complete this form for income and withholding related to the oil and gas proceeds withholding, which is reconciled with withholding paid on Form RPD-41284, *Quarterly Oil and Gas Proceeds Withholding Tax return*.

This form should be completed on or before the last day of February of the year following the calendar year in which the tax was withheld, but is not required to be submitted to the Department.

If you find that you have underreported or over reported withholding when you are completing the annual summary you will have to file amended Form RPD-41284 for every period effected. If you have discovered an overpayment that is due back to you, you will have to complete the Form RPD-41071, *Application for Tax Refund*. If additional tax is due make sure to submit payment with the amended submission of Form RPD-41284.

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:

<http://www.tax.newmexico.gov>

Regulations. The Department establishes 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 New Mexico Compilation Commission also has a compact disk of all statutes and regulations. Specific regulations are also available at the State Records Center and Archives 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 at 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 <http://www.tax.newmexico.gov/rulings.aspx>.

Public Decisions & Orders. All public decisions and orders issued since July 1994 are compiled and available on the Department's web page free of charge at <http://www.tax.newmexico.gov/tax-decisions-orders.aspx>.

FOR FURTHER ASSISTANCE

Local tax offices can provide full service and information about the Department's taxes, programs, and forms as well as specific information about your filing situation.

ALBUQUERQUE

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

LAS CRUCES

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

SANTA FE

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

ROSWELL

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

FARMINGTON

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

Call Center: 1-866-285-2996

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 FYI 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.