

STATE OF NEW MEXICO

TAXATION AND REVENUE DEPARTMENT **Revenue Processing Division**

General Specifications And Approval Procedures For The Reproduction Of New Mexico State Tax Forms

A Guide For Tax Software Providers

INTRODUCTION

Tax Software Providers that propose to reproduce, develop, distribute, and or use New Mexico tax forms must submit a Letter of Intent/Operating and Non-Disclosure Agreement (LOI) and receive approval to generate any substitute¹ New Mexico state tax form. A substitute form must meet the requirements of the New Mexico Taxation and Revenue Department (TRD), and TRD must test and approve the form before release or distribution. TRD reserves the right to reject substitute forms with poor legibility or forms that don't meet TRD's requirements.

IMPORTANT: Non-specific tax year forms include CRS-1, Workers' Compensation, and other forms that don't show the year. If a Tax Software Provider received TRD's approval for a non-specific tax year form, the only time to request another approval of that form is when updating the form to match a TRD revision. Tax Software Providers are responsible for ensuring use of the most current version of the form, instructions, and specifications.

E-Filing And Bulk Filing

New Mexico supports electronic transmission of income tax returns. For information about transmitting returns electronically, see the *Tax Preparer's Guide For Income Tax Returns* at www.tax.newmexico.gov, TRD's website. Click **TAX PROFESSIONALS, Software Developers**, and under **Helpful Documents**, click **2018 Tax Preparer's Guide For Income Tax Returns**.

For information about e-filing returns, go to <https://tap.state.nm.us>, Taxpayer Access Point (TAP). Many how-to videos are available on that page. To begin using TAP online services, create a login name and password. For more information about the online services the State of New Mexico offers, please visit <http://www.tax.newmexico.gov>. For more information about e-filing, call (866) 285-2996, option 1.

New Mexico supports bulk filing for certain reports and returns. Procedures for bulk filing are located at the end of these specifications.

GENERAL INFORMATION ABOUT SUBSTITUTE FORMS

Electronic tax forms are available at www.tax.newmexico.gov. Click **FORMS & PUBLICATIONS** and follow the links to the forms in the applicable tax program folder. You can print these forms, complete them by hand, and submit them to TRD for processing. Any electronic form you find elsewhere is a substitute form TRD must approve. A Tax Software Provider that makes a substitute form available is responsible for getting approval from TRD before reproducing the form.

Using Another Tax Software Provider's Form

A Tax Software Provider must submit for testing and approval any form used in their program that TRD approved under another provider. This verifies that the forms your software creates are still in compliance with TRD's requirements.

Don't Alter Any Tax Forms

Don't alter New Mexico state tax forms in any way. For example, don't use a 2017 income tax form to file a 2018 tax return. TRD rejects TRD-supplied or approved forms that taxpayers or tax preparers alter.

¹ A substitute form is any form produced and made available by any entity other than TRD.

Two Types Of Substitute Forms

There are two types of substitute forms—scannable² and non-scannable. Forms with a barcode are scannable. In *Form Revision and Release Dates* available on TRD's **Software Developers** web page, you can click a form's URL to see if it has a barcode. If the form doesn't have a barcode, the form is non-scannable.

To go to the **Software Developers** page from www.tax.newmexico.gov, click **TAX PROFESSIONALS**. and at the bottom of the navigation bar, click **Software Developers**.

Release Dates For Scannable Forms

TRD uses the National Association of Computerized Tax Processors (NACTP) to distribute anticipated release dates of the LOI and tax-year-specific scannable forms to email subscribers. Please join the NACTP at www.nactp.org and subscribe to the Government Liaison Committee (GLC) global email, nactp_glc@nactp.

Letter Of Intent

The New Mexico LOI was consolidated in 2016 to accommodate all income tax programs for forms developers and MeF developers. New Mexico provides access to electronically submit the LOI at the Tax Software Provider Access Point (TSPAP). When information about the LOI becomes available, the New Mexico MeF Team will send out announcements through their global email. This announcement will contain details regarding the TSPAP website url, username, password, and documentation on usage of the site. For all LOI and e-filing inquires, contact the New Mexico MeF Team at TRD-MEInfo@state.nm.us.

The New Mexico Forms Team will follow up with similar LOI announcements through nactp_glc@nactp.

It is important for the Tax Software Provider to identify the TSPAP user that will be submitting the LOI on behalf of the company's e-filing and forms development teams. Each software product requires a separate LOI.

The Tax Software Provider must electronically submit the LOI on TSPAP to request an approval to submit test packages of tax-specific scannable forms, clearly indicating the tax programs and schedules they plan to submit for testing. The due date to electronically submit LOI(s) is November 1, 2018. TRD must approve your product's LOI before we can accept your product test package.

New Tax Software Providers must register with NACTP to receive an NACTP Vendor ID. Go to www.nactp.org, click on ABOUT NACTP then select NACTP Vendor ID Request. This vendor ID identifies your product throughout testing and captures the origination of each income tax return received by TRD.

New Tax Software Providers must also register with the Federation of Tax Administrators (FTA) at www.taxadmin.org. FTA serves as a source of information and expertise for state administrators and others on the workings of state tax agencies and systems as well as issues generally affecting tax policy and administration. Access to New Mexico's required form and schema specifications and testing criteria shall be provided through the FTA-Secure Exchange System (SES) upon receipt, review, and approval of the LOI agreement.

² A scannable form is one with features, such as a barcode, recognized by TRD's automated processing equipment.

GENERAL TAX FORM DESIGN STANDARDS

New Mexico follows the *Tax Form Design Standards and Guidelines* set by NACTP's Government Liaison Committee (GLC). You can find their manual at www.nactp.org. New Mexico also distributes important information about TRD's forms approval processes through the NACTP email list.

Paper and Ink	Standard
Paper size	8 1/2 x 11 1/2 inches
Paper printing	Single-sided
Paper weight	20-pound bond
Paper color	White
Ink	Black non-MICR
Carbon and carbon-bonded paper	Not allowed
Form Text Design	
Paper orientation	Portrait
Text fonts and sizes	Arial or Helvetica; 6, 8, 10, 12, and 14 point
Lines per vertical inch	6 vertically (1/6 inch each)
Characters per horizontal inch	10 horizontally (1/10 inch each)
Margin	1/2 inch on all sides
Vertical printable area	First line = row 4 Last line = row 63
Horizontal printable area	First printable space = column 6 Last printable space = column 80
Printed Variable Data (taxpayer-specific information)	
Graphics or special characters	Can't deviate from those in form design image
All variable data	Use as shown in form design image
Text fonts and sizes	Courier, 10 and 12 point
Leading dollar signs in amount field	Not allowed
Leading zeros	Not allowed, unless specifically requested
Negative amounts	Use a leading dash immediately to the left of the leftmost character
Printed Variable Data (taxpayer-specific information)	
Zero amount	Leave field blank, unless specifically requested to enter zero
Schedule not required	Leave all fields blank, unless schedule is required
Dollar rounding required	≤ 0.49 rounds down, ≥ 0.50 rounds up to the whole dollar. Do not include decimals for a number rounded to the dollar.
Percentage or ratio	Calculate to two to four decimal places, such as 0.43, 0.043, or 0.0043. See instructions or form design image for correct decimal places of each ratio or percentage field.

GENERAL SCANNABLE FORM DESIGN FEATURES

Printed Scanline Data

Some TRD forms have a scanline. The specifics for this design feature are described in the *Specifications and Approval Procedures* documents for forms with scanlines. Scanlines are machine-readable and require the exact font and exact placement on the printed form. There are two variations of scanlines—one for income tax form payment vouchers and others for miscellaneous tax programs.

Printed 3 of 9 Barcode Data

Some TRD forms have a 3 of 9 barcode. The specifics for this design feature are described in the *Specifications and Approval Procedures* for forms with 3 of 9 barcodes. These barcodes are placed in the upper right corner of the forms as shown on the form design image. The 3 of 9 barcode is a nine-digit number identifying the form and the Tax Software Provider producing the form. This design feature helps TRD manage imaged documents.

Printed 2D Barcode Data

The PDF417 (2D) barcode is only available for personal income tax forms created by your product. The 2D barcode contains the taxpayer's return information, which is automatically uploaded from the 2D barcode printed on the form. Due to the decline of use in industry, TRD will be phasing out the applicability and testing of 2D barcodes beginning 2019.

IMPORTANT: If you use 2D barcodes, you must use the test scenarios in the 2018 PIT 2D Bar Code Specifications when you submit substitute forms for approval. Follow all printing and position entry specifications. If your product supports PIT-CR Supplemental and PIT-S, you must use 3 of 9 barcodes instead of the 2D barcode on your forms. These forms are not supported in the 2D barcode and there are no test scenarios that include them for testing.

If the system can't read the 2D barcode, TRD routes the form for manual data entry. A properly printed 2D barcode reduces time to process a return and may result in faster refunds for most taxpayers.

New Mexico follows NACTP's 2D barcode standards and guidelines. You can find **2-D Barcoding Standards** at www.nactp.org. TRD distributes important information about TRD's forms approval processes through the NACTP email list.

MANDATE: Paid tax preparers who prepare more than 25 New Mexico personal income tax returns must submit each return using TRD-approved electronic media, unless the taxpayer whose return is prepared requests otherwise. **When a preparer fails to comply with this requirement, TRD assesses a \$5 penalty for each personal income tax return the preparer generates.** The 2D barcode substitutes for an e-filed return, satisfying the paid tax preparers' requirement to ensure the personal income tax returns they prepare are e-filed.

LEGIBILITY AND PRINTING REQUIREMENTS

A high standard of legibility for printing and reproduction is required for all forms and variable data fields. The paper, ink, and printing method must ensure no part of a form develops smears or similar deterioration.

INSTRUCTION REQUIREMENTS

Any Tax Software Provider TRD approves to develop, distribute, or use New Mexico scannable and non-scannable tax forms must clearly instruct clients, customers, and users to do the following:

- Submit quality printed forms **only**.
- Include paper, ink, legibility, and printing standards.
- Include a warning not to submit photocopies of forms to TRD for processing.
- Stress the importance of only sending “government copy” tax returns without truncated taxpayer identification numbers (TTINs). TRD rejects these returns. “Client copy” returns with TTINs are for taxpayers' records, not intended for submission to TRD.
- Notify users that following the standards ensures TRD effectively processes substitute forms.

APPROVAL PROCEDURES FOR SUBSTITUTE FORMS

TRD has two procedures for submitting substitute forms for approval—one for scannable forms and the other for non-scannable forms. To avoid delays, make sure to use the correct approval process for the type of form you want to reproduce. For scannable forms, follow the approval instructions in the *Specifications and Approval Procedures* for the tax type and the form design image specific to each substitute form.

What's Most Important To Know

- The Tax Software Provider is responsible for making sure products contain the latest form versions.
- It's the Tax Software Provider's responsibility to proofread all forms before submission.
- To avoid delays, submit the scannable and non-scannable forms to the correct contact.
- TRD can't accept non-scannable approval packages by fax.
- TRD can't accept scannable approval packages by email or fax.

Submitting Scannable, Substitute Forms For Approval

Scannable forms may be tax-year-specific or continuous use. Tax-year-specific forms require TRD approval annually after TRD releases final versions of the forms and before you release and distribute your substitute forms. Continuous use scannable forms require TRD approval only upon revision.

Testing Sequence For Scannable Forms

When TRD receives your approval package, TRD tests all samples for correct font size, form images, and variable data placement. TRD then tests the scannable features of the forms. If the test package fails any part of these tests, TRD does not approve the product.

Requirements For Approving A Scannable Test Form

- The form is legible and scannable.
- The form's appearance conforms **exactly** to specifications.
- All form text and variable fields are within the specified area.
- The 3 of 9 barcode is included when required on the form.
- The scanline is included when required on the form.
- The vendor code, product code, and version number are included when required on the form.

When Testing Begins And Ends

For most tax-year-specific forms, TRD will begin the testing and approval process on **November 1, 2018**. In general, you must submit your first set of forms no later than **December 15**. After TRD's receipt, allow 10 business days for an approval status of the forms submission package. Testing ends on **January 31**. After this date, TRD rejects testing packages.

IMPORTANT: While TRD tries to adhere to the turnaround time, the test may take longer than 10 business days.

When TRD Rescinds An Approval

If TRD approves a form but a scannable feature on the form fails to follow published specifications for the feature, TRD rescinds approval of the form. An example is if TRD receives unapproved versions of a form during the filing season. Another example is a product with an error that causes TRD to create processes to bypass the error. TRD requests the Tax Software Provider to correct the error and update the product.

Willful non-compliance with TRD's requirements results in rescinding a Tax Software Provider's forms approval. It is the Tax Software Provider's responsibility to make sure their partners receive the most updated versions of all forms.

What TRD Doesn't Review Or Approve

TRD does not review or approve the logic of specific software programs, nor does the agency confirm the calculations on the forms produced by these programs. The accuracy of the program remains the responsibility of the software developer, distributor, or user.

Where To Mail Scannable Forms

New Mexico Taxation and Revenue Department
Office Of the Secretary
Attention: Forms
Joseph Montoya Building, Room 3002
1100 S. St. Francis Drive
Santa Fe, NM 87505

IMPORTANT: TRD does not accept scannable tests by email.

Submitting Non-Scannable, Substitute Forms For Approval

Tax Software Providers can submit non-scannable forms for approval any time during the year. TRD notifies you about approval status within 10 business days of receipt.

IMPORTANT: While TRD tries to adhere to the turnaround time, the test may take longer than 10 business days.

To get approval to generate non-scannable, substitute forms that are completed electronically and printed, do the following:

1. Go to TRD's **Software Developer** web page and review *Form Revision and Release Dates* to make sure you're submitting the latest version of each form.
2. Prepare two sample copies of each form for your approval package.
 - The first form contains no taxpayer variable data.
 - The second form is full-field filled³ with variable data.

³ Full-field filled is a form with a character filling all possible locations and positions for variable data, for example, 9s for numeric values and Xs for alpha/numeric values.

3. Submit approval packages by email to NMTax.Forms@state.nm.us. Include a cover letter with your contact information, an email address, and a checklist of the forms submitted in the test approval package.

BULK FILING

You can bulk file certain reports and returns. See the next procedures for filing documents annually and for shorter terms, and for uploading XML bulk files.

Annual Filing For W-2s, W-2Gs, 1099-Rs, Oil And Gas Proceeds, Pass-Through Entities

To bulk file these annual forms, do the following:

1. Go to <http://www.tax.newmexico.gov/forms-publications.aspx>.
2. Click **Publications, FYIs**, and then **300 Series-Income Taxes**.
3. Click **FYI-330 Income and Withholding Information Returns and Filing Methods** and go to the **MAGNETIC MEDIA** section.

Monthly, Quarterly, Semi-Annual Filing For CFT, CRS, WDT

To bulk file these monthly, quarterly, or semi-annually forms, do the following:

1. Go to <https://tap.state.nm.us>.
2. Under **TAP HOME**, click **Frequently Asked Questions**.
3. In the first row of tabs, click **Bulk**, and in the second row of tabs, click **General** or any of the program tabs.

NOTE: If you need more information about CFT, CRS, or WDT bulk filing, call CFT at (505) 827-0765, call CRS at (505) 841-6352, or call WDT at (888) 683-2821 x4 x1.

Uploading XML Bulk Files

To file these forms annually, do the following:

1. Go to <https://tap.state.nm.us>.
2. Under **I WANT TO**, click **Upload XML Bulk File** to display the Instructions page.
3. Read the instructions, click **Next**, and then continue to complete the upload process.

FOR MORE INFORMATION

If you have any questions or comments after reading this document, please send email correspondence to NMTax.Forms@state.nm.us.