

## **Tax help for nonresidents of New Mexico...**

### **INTERNAL REVENUE SERVICE**

The Internal Revenue Service (IRS) is the first judge of who files federal income tax, and consequently, of whose New Mexico-sourced income must be reported here. Contact the IRS online at [www.irs.gov](http://www.irs.gov) or telephone at 800-829-1040.

### **PERSONAL INCOME TAX UNIT**

TRD's Personal Income Tax Unit can help with state questions only. The number is (505) 827-0827. Please have your social security number ready if you have filed in New Mexico in prior years.

### **NEW MEXICO TRD DISTRICT TAX OFFICES**

New Mexico offers free tax help and advice at the 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

You may also write to us at: Tax Information and Policy Office, Post Office Box

630, Santa Fe, NM 87504-0630.

To find publications on the TRD web site go to [www.tax.newmexico.gov](http://www.tax.newmexico.gov). Click on "Forms and Publications." Brochures addressing single questions in simplified format are posted there; as well as FYIs, which are longer and more detailed.

**Special note for a limited number of nonresidents working in the Las Cruces area:** Review publication FYI-360, *Allocation of Nonresident Employee Income from Manufacturing Plants Within 20 Miles of International Border or call the Las Cruces District Office at (575) 524-6100.*



New Mexico Taxation and Revenue Department  
Joseph Montoya Building  
1100 St. Francis Drive  
Santa Fe, NM 87505  
[www.tax.newmexico.gov](http://www.tax.newmexico.gov)

New Mexico Taxation and Revenue Department

# NONRESIDENTS & NEW MEXICO'S INCOME TAX

*You may have an obligation...*



Rev. 10/10

## *As a nonresident must you file a New Mexico personal income tax return?*

New Mexico's law says every person who has income from New Mexico sources and who is required to file a federal income tax return must file a personal income tax return in New Mexico.

This directive includes nonresidents who have income from wages, rents, royalties, businesses, estates...every New Mexico source. Even foreign nationals and persons who reside in states that do not have income taxes must file here when they have a federal filing requirement and have income from any New Mexico source whatsoever.

### **WITHHOLDING TAX**

If you are an employee who works in New Mexico for a New Mexico employer\*, including the federal government and non-profit organizations, you are subject to New Mexico withholding tax when federal withholding is required. The employer reports and sends the withheld amount to the New Mexico Taxation and Revenue Department and gives you a W-2 form so you can complete your state income tax return.

Withholding tax applies to you if you work for a New Mexico employer in this state for 15 days or more in a calendar year. Days need not be consecutive.

If you work here for an out-of-state employer who does not or will not withhold on your behalf, you may have to file and pay estimated income tax on a quarterly basis.

### **INFORMATION FOR INDEPENDENT CONTRACTORS**

- You are in business for yourself as an independent contractor if you are not an employee as determined by the federal government but you perform services in New Mexico for money or other consideration. Check our brochure, *Are You an Employee or Independent Contractor?* You owe personal income tax on income from New Mexico sources and may need to pay quarterly **estimated income tax** since you are not subject to withholding tax. Please see publication FYI-320, PIT-ES, *Estimated Income Tax Payments*.
- You also need to file and pay **gross receipts tax** on that income. Income tax and gross receipts tax are separate tax programs. To report and pay income tax does not satisfy the requirement for gross receipts tax. New Mexico and the IRS cooperate in a tape match between federal Schedule C business income and New Mexico gross receipts tax reports. Filers explain differences to TRD. Please see Brochure, "What Is Gross Receipts Tax?"

### **FORMS TO FILE**

- **PIT-1 form** (required) is equivalent to the federal form 1040. Do your federal return first because you need the federal adjusted gross income figure (FAGI) to begin your New Mexico PIT-1;
- **PIT-B allocation and apportionment schedule**

(required) allows you to separate New Mexico-sourced income from your total federal income and be taxed on only the part that properly belongs here;

- **PIT-ADJ schedule** provides "bookkeeping" adjustments when you are eligible for capital gains, certain credits, New Mexico Education Trust (529) plans and other adjustments;
- **PIT-ES** is the form for estimated income tax if you are self-employed, or if you are an employee and tax was not withheld from your New Mexico income for any reason.

### **WHERE TO FIND THE FORMS**

You can find the forms, instructions and rate tables on our web site at [www.tax.newmexico.gov](http://www.tax.newmexico.gov). Click on "forms and publications" and then on "individual income."

You can call the forms order line at (505) 827-2206.

**FORMLESS?** You can file electronically as a nonresident. Go to the web site at [www.tax.newmexico.gov](http://www.tax.newmexico.gov), choose "File My Income Tax" from the "Individuals" menu. Follow the prompts.

**NEED PUBLICATIONS?** Our web site has them at [www.tax.newmexico.gov](http://www.tax.newmexico.gov). Select the "Forms and Publications" button.

\* A New Mexico employer is one who does business in this state, has income from New Mexico sources, or has control over the payment of wages to an individual who performs services here. □