FYI-109
For Your Information

2026 INFLATION ADJUSTMENTS

New Mexico statute requires that the amounts of certain credits and exemptions be adjusted annually for inflation. This FYI publishes the annual changes for two personal income tax credits for the upcoming tax year: the Low-Income Comprehensive Tax Rebate and Child Income Tax Credit.

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Personal Income Tax Credit Inflation Adjustments

2026 Low-Income Comprehensive Tax Rebate

Section 7-2-14(F) NMSA 1978 requires that, starting with tax year 2022, and for each subsequent tax year, the amount of the low-income comprehensive tax rebate be adjusted to account for inflation. The Taxation and Revenue Department (Department) makes the adjustment by multiplying each amount of rebate by a fraction, the numerator of which is the consumer price index ending during the prior tax year and the denominator of which is the consumer price index in tax year 2021. The result is then rounded down to the nearest dollar, unless the result would be an amount less than the amount for the preceding tax year, then no adjustment is made.

The results for tax year 2026 are the following:

2026 Low-Income Comprehensive Tax Rebate Table

Use the Modified Gross Income (MGI) from PIT-RC, Line 13, and the Number of Exemptions from PIT-RC, Line 13a, to determine the amount of the rebate.

MGI is over	but MGI is not over	1 Exemption	2 Exemption	3 Exemption	4 Exemption	5 Exemption	6 or more Exemptions
	1,000	$230	$307	$384	$461	$538	$615
1,001	1,500	260	372	479	597	674	799
1,501	2,500	260	372	479	597	674	834
2,501	7,500	260	372	479	597	674	864
7,501	8,000	242	367	461	586	680	864
8,001	9,000	219	337	444	568	680	828
9,001	10,000	201	296	402	503	603	787
10,001	11,500	171	248	325	426	526	710
11,501	13,000	153	219	278	349	432	568
13,001	14,500	136	201	260	325	372	461
14,501	16,500	124	183	219	278	337	396
16,501	18,000	118	153	195	248	296	355
18,001	19,500	106	136	171	213	260	307
19,501	21,000	94	124	165	195	219	272
21,001	23,000	94	124	165	195	219	272
23,001	24,500	88	118	142	171	201	230
24,501	26,000	76	106	136	165	183	213
26,001	27,500	65	94	124	153	165	201
27,501	29,500	59	88	118	136	153	183
29,501	31,000	47	65	94	118	136	153
31,001	32,500	41	59	76	94	118	124
32,501	34,000	29	47	59	76	94	106
34,001	36,000	17	41	47	65	76	88

2026 Child Income Tax Credit

Section 7-2-18.34(D) NMSA 1978 requires that, starting with tax year 2024, and for each subsequent tax year, the amount of the child income tax credit be adjusted to account for inflation. The Department makes the adjustment by multiplying each amount of credit by a fraction, the numerator of which is the consumer price index ending during the prior tax year and the denominator of which is the consumer price index from tax year 2022. The result is then rounded down to the nearest dollar, unless the result would be an amount less than the amount for the preceding tax year, then no adjustment is made.

The results for tax year 2026 are the following:

Tax Year 2026 Child Income Tax Credit Income Table
Use the Adjusted Gross Income (AGI) from PIT-1, line 9, to determine the amount of credit.

AGI is over	But not over	Amount of credit per qualifying child
$0	$25,000	$656
25,001	50,000	437
50,001	75,000	218
75,001	100,000	109
100,001	200,000	82
200,001	350,000	54
350,001		27

TAXPAYER INFORMATION

General Information. FYIs and Bulletins present general information with minimum technical language. All FYIs and Bulletins are free of charge and available through all local tax offices and on the Taxation and Revenue Department's website at https://www.tax.newmexico.gov/forms-publications/.

Regulations. The Department establishes regulations to interpret and exemplify the various tax acts it administers. Current statutes with regulations can be located on the Departments website for free at https://www.tax.newmexico.gov/forms-publications/. Specific regulations are also available at the State Records Center and Archives or on its web page at http://www.srca.nm.gov/.

The Taxation and Revenue Department regulation book is available for purchase from the New Mexico Compilation Commission. Order regulation books directly from the New Mexico Compilation Commission at https://www.nmcompcomm.us/.

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 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 Department's rulings are compiled and available on free of charge at https://www.tax.newmexico.gov/all-nm-taxes/rulings/.

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 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.

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 https://www.tax.newmexico.gov/all-nm-taxes/tax-decisions-orders/.

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

FOR FURTHER ASSISTANCE

Tax District Field Offices and the Department's call center can provide full service and general information about the Department's taxes, taxpayer access point, programs, classes, and forms. Information specific to your filing situation, payment plans and delinquent accounts.

TAX DISTRICT FIELD OFFICES

ALBUQUERQUE
10500 Copper Avenue NE, Suite C
Albuquerque, NM 87123

SANTA FE
Manuel Lujan Senior. Building
1200 S. Saint Francis Dr.
Santa Fe, NM 87505

FARMINGTON
3501 E. Main St., Suite N
Farmington, NM 87402

LAS CRUCES
2540 El Paseo Rd, Bldg 2
Las Cruces, NM 88001

ROSWELL
400 Pennsylvania Ave., Suite 200
Roswell, NM 88201

For forms and instructions visit the Department's web site at http://www.tax.newmexico.gov

Call Center Number:
1-866-285-2996

If faxing something to a tax district field office, please fax to:

Call Center Fax Number:
1-505-841-6327

If mailing information to a tax district field office, please mail to:

Taxation and Revenue Department
P.O. Box 50130
Albuquerque, NM 87198-0130

For additional contact information please visit the Department's website at
http://www.tax.newmexico.gov/contact-us.aspx

This information is as accurate as possible as of the date specified on the publication. Subsequent legislation, new state regulations and case law may affect its accuracy. For the latest information please check the Taxation and Revenue Department's web site at www.tax.newmexico.gov.

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