

Annual Statement of Withholding of Oil and Gas Proceeds

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|--|--|
| Tax Year | Remitter's federal identification number Mark one <input type="checkbox"/> FEIN box <input type="checkbox"/> SSN |
| Remitter's (payer's) name, street address, city, state, ZIP code, and phone number Mark box if address outside the U.S. <input type="checkbox"/> | Remitter's NMBTIN (optional) |
| | Remittee's federal identification number Mark one <input type="checkbox"/> FEIN box <input type="checkbox"/> SSN |
| Remittee's (recipient's) name, street address, city, state, and ZIP code Mark box if address outside the U.S. <input type="checkbox"/> | Gross oil and gas proceeds |
| | New Mexico state tax withheld |

Remitees (recipients) must attach this form to their New Mexico state income tax return to claim the amount of tax withheld against personal income or corporate income tax due.

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Annual Statement of Withholding of Oil and Gas Proceeds Instructions

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Who Must File. Remitters (payers) of oil and gas proceeds from oil and gas production from a well located in New Mexico, who are subject to withholding tax from payments to remitees (recipients), according to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act (Sections 7-3A-1 through 7-3A-9 NMSA 1978), are required to annually submit RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*, Form 1099-MISC, or *pro forma* Form 1099-MISC (the remitter may use any of these three forms) to:

- New Mexico Taxation and Revenue Department
- Remitees

Remitees must attach the forms received from the remitters to their New Mexico state income tax returns when claiming the amount of New Mexico income and tax withheld against their personal income or corporate income tax due.

IMPORTANT: If the remitter did not pay oil and gas proceeds for a calendar year, no filings are required for that year.

Requirement to Compare Tax Records. The Department is required to compare a remitter's tax information with a remitee's records. If the Department determines that a remitee is not paying the proper tax on oil and gas proceeds, the Department may request the remitter to show reasonable cause for not withholding the proper tax.

If the Department determines that a non-resident remitee is not paying New Mexico income tax on oil and gas proceeds, the Department may notify the remitter that the remitter must withhold tax from future oil and gas proceeds paid to the remitee. If the remitter did not withhold tax because the remitter and remitee entered into an agreement pursuant to Section 7-3A-3(G) NMSA 1978, the agreement must be revoked and the remitter is held responsible for withholding the required amount of future tax from the remitee.

INSTRUCTIONS FOR REMITTERS

This section is for remitters. If you are a remitee, see page 2, *Instructions for Remitees*.

IMPORTANT: You are required to provide sufficient information to allow remitees to comply with the provisions of the Income Tax Act and the Corporate Income and Franchise Tax Act with respect to the remitee's share of the gross oil and gas proceeds from a well located in New Mexico.

What to File. To report the New Mexico gross oil and tax proceeds and the state tax withheld for each remitee to whom you paid proceeds from a New Mexico well, you are required to file one of these forms (any of these forms is acceptable):

- New Mexico Form RPD-41285
- Form 1099-MISC
- A *pro forma* Form 1099-MISC

NOTE: If the oil and gas proceeds you paid is a combination of oil and gas proceeds from oil and gas production in multiple states, separately state the oil and gas proceeds derived from New Mexico oil and gas production and the amount of New Mexico tax withheld.

Due Date to Send Forms to Remitees. Send the forms (RPD-41285, Form 1099-MISC, or *pro forma* Form 1099-MISC) to remitees by February 15 of the year following the year for which you withheld New Mexico state tax. If February 15 falls on a Saturday, Sunday, or a state or national legal holiday, the return is timely if the postmark bears the date of the next business day.

Requirement to File Electronically. If you have more than 50 remitees, you are required to electronically file RPD-41285, 1099-MISC, or *pro forma* 1099-MISC. You can file through the Combined Federal/State Filing Program or through the Department website.

How To File With the State. Submit RPD-41285, Form 1099-MISC, or *pro forma* Form 1099-MISC in one of the following ways:

- Submit RPD-41285, Form 1099-MISC, or *pro forma* Form 1099-MISC electronically using the Department website.
- If you have 50 or fewer remitees, or if you have been granted an exemption to electronically file RPD-41285, you may submit paper forms to New Mexico Taxation and Revenue Department, P.O. Box 25127, Santa Fe, New Mexico 87504-5127.
- With IRS approval, submit Form 1099-MISC electronically through the Combined Federal/State Filing Program. You must include state records that bear forwarding codes to New Mexico.

Filing on the Department Website. You can complete and file the New Mexico oil and gas proceeds of remitees and the New Mexico state tax you withheld in two ways:

- Use a web file application on the Department website to file the information.
- First prepare the report offline, using a format specified by the Department, and then upload it with **Bulk Filing** on the Department website.

NOTE: In June 2014, the online filing location changes from <https://efile.state.nm.us> to <https://tap.state.nm.us>.

For Help. For tips about e-filing, go to the Department website at www.tax.newmexico.gov and at the top of the page click **Forms & Publications**. Next click **Business Taxes**, click **Other NM Business Taxes**, click **Oil and Gas Proceeds Withholding Tax**, and then click **Oil and Gas Proceeds Annual Detail Report E-File Tips**.

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How to Complete RPD-41285

Column 1

Year and Contact Information

1. Enter the tax year.
2. Enter your name, address, and phone number. If the address is outside the U.S., mark the box.
3. Enter the remittee's name and address. If the address is outside the U.S., mark the box.

Column 2

Identification Numbers, Proceeds, and State Tax Withheld

1. Enter your federal identification number using hyphens. If the number is a federal employer identification number (FEIN), enter it in XX-XXXXXXX format and mark the FEIN box. If the number is a social security number, enter it in XXX-XX-XXXX format and mark the SSN box.
2. Enter your New Mexico Business Tax Identification Number (NMBTIN) previously known as the Combined Reporting System (CRS) identification number using hyphens in XX-XXXXXX-XXX format. If you are not required to have a NMBTIN number, leave this field blank.
3. Enter the remittee's federal identification number using hyphens. If the number is an FEIN, enter it in XX-XXXXXXX format and mark the FEIN box. If the number is a social security number, enter it in XXX-XX-XXXX format and mark the SSN box.
4. Enter the remittee's gross oil and gas proceeds from wells located in New Mexico.
5. Enter the New Mexico state tax withheld.

Send Each Remittee a Copy. After completing RPD-41285 (or Form 1099-MISC or *pro forma* Form 1099-MISC) for all remittees, send each remittee a copy of the form by February 15 or the next business day, if February 15 falls on a Saturday, Sunday, or a state or national legal holiday.

For More Information. See the instructions for RPD-41374, *2013 Annual Report of Non-Resident Remittees Holding an Agreement to Pay Tax on Oil and Gas Proceeds*, and FYI-330, *Income and Withholding Returns and Electronic Filing*.

For Help. To get help with this form and corporate income taxes, in Santa Fe call (505) 827-0825, call toll free (866) 809-2335 and select option 4, or send email to cit.taxreturnhelp@state.nm.us.

INSTRUCTIONS FOR REMITTEES

This section is for remittees. If you are a remitter, see page 1, *Instructions for Remitters*.

How to File. Attach RPD-41285, Form 1099-MISC, or *pro forma* Form 1099-MISC to your New Mexico income tax return to claim the amount of tax withheld against your personal or corporate income tax due.

Due Date to File with the State. You are required to file the RPD-41285, Form 1099-MISC, or *pro forma* Form 1099-MISC that you received from the remitter with your New Mexico income tax return. The due date is the same date your New Mexico income tax return is due.

IMPORTANT: Unless you are listed as the remittee or the recipient of the income, do not attach these forms to your income tax return. When filing your return, you cannot use an income and withholding statement that is issued to someone else.