

NEW MEXICO TAXATION AND REVENUE DEPARTMENT WAGE WITHHOLDING TAX RETURN INSTRUCTIONS

CONTACTING THE DEPARTMENT

Online Services

The TAP website at <https://tap.state.nm.us> is a secure online resource that lets you electronically file your return for free:

- See information about your return, payment, and refund;
- Pay existing tax liabilities online;
- Check the status of a refund;
- Change your contact information;
- View your account;
- Register a business; and
- Schedule an appointment at one of the offices below.

Local Taxation and Revenue Offices

If you would like to meet with the Department in person, you may visit one of our tax district offices at the following locations:

Albuquerque

10500 Copper Ave. NE, Ste C
Albuquerque, NM 87123

Farmington

3501 E. Main St., Ste. N.
Farmington, NM 87402

Las Cruces

2540 S. El Paseo, Bldg. 2
Las Cruces, NM 88001

Roswell

400 Pennsylvania Ave., Ste. 200
Roswell, NM 88201

Santa Fe

Manuel Lujan Senior Building
1200 South St. Francis Drive
Santa Fe, NM 87502-5374

Phone Contact

You can contact the Department's call center and they can provide full service and general information about the De-

partment's taxes, Taxpayer Access Point (TAP), programs, classes, and forms. They can also provide assistance with information specific to your account including your filing situation, payment plans, and delinquent account information.

Call Center: (866) 285-2996.

What You Need

Have your New Mexico Business Tax Identification Number (NMBTIN), a copy of your tax return, or letter in question.

Note: If you are inquiring about a letter, please locate the Letter ID in the top right hand corner to provide to the Department's agent.

Mailing Address

If you want to write us about your return, please address your letter to:

Wage Withholding Tax Correspondence
Taxation and Revenue Department
P.O. BOX 25128
Santa Fe, NM 87504-5128

If you are writing in response to a letter, please include the Letter ID in your response.

E-mail Contacts

The Taxation and Revenue Department provides several e-mail contacts for you.

If you have questions about your in-progress return, the instructions, a return you already submitted, or your refund, visit the Department's website contact page: <https://www.tax.newmexico.gov/contact-us/>

If you have questions about New Mexico tax law and need additional clarification on statutes and regulations, email: Policy.Office@tax.nm.gov.

Forms, Instructions and Publications

You can find forms and instructions on our website at <https://www.tax.newmexico.gov/forms-publications/>.

GENERAL INSTRUCTIONS

Who files a Wage Withholding Tax Return?

File this return if you are an employer who withholds New Mexico tax from your employee.

On Form **TRD-41414**, *Wage Withholding Tax Return* report only wage withholding. Do not include New Mexico tax withheld from other types of payments such as pensions and annuities or gambling winnings, these are considered non-wage withholding. Non-wage withholding is filed on

Form **TRD-41409**, *Non-wage Withholding Tax Return*.

Who is required to withhold?

Every employer doing business in New Mexico or deriving income from within New Mexico who pays wages or other remuneration to an employee and who is required to withhold federal income tax must withhold New Mexico income tax.

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An employer is a person or an employee of that person, doing business in New Mexico or deriving income from New Mexico sources who pays wages to an employee for services performed. An employer is the person having control of the payment of wages.

An employee is a New Mexico resident who performs services either within or without the state for an employer, or a nonresident of New Mexico who performs services within the state for an employer. Employers are not required to withhold New Mexico income tax from wages of nonresident employees working in New Mexico for 15 or fewer days during the calendar year.

Wages are remuneration in cash or other form for services performed by an employee for an employer.

Persons who are self-employed should not report withholding tax on their wages. Self-employed individuals should make estimated payments using the Form PIT-ES.

Determining how much to withhold

Refer to the *State Withholding Tax Tables* found in Publication **FYI-104**, *New Mexico Withholding Tax*. No withholding is required if the total withholding for an employee during any one month is less than one dollar.

For New Mexico residents the employer is required to withhold New Mexico income tax from all wages of the employee regardless of the employee's work location. For nonresident employees, the employer is required to withhold New Mexico income tax only from wages the employee earns within the state. Refer to definitions of "employer," "employee" and "wages" to determine if withholding tax is required.

Reporting withholding information to the Department of Workforce Solutions and the Workers Compensation Administration does not fulfill your obligation to report and pay withholding tax to the Taxation and Revenue Department.

Additional filing requirements can be located in Publication **FYI-330**, *Income and Withholding Information Returns and Filing Methods*.

FILING METHODS

Different Filing Methods

This program has an electronic file (e-file) and electronic pay (e-pay) mandate. The e-file and e-pay mandate can be located on our Forms & Publications page, <https://www.tax.newmexico.gov/forms-publications/>, in the **E-File and E-Pay Mandates** folder.

If for some reason you are unable to file or pay the return electronically you are able to request a waiver or exception for e-filing and e-paying using the Form **RPD-41351**, *E-File and E-Pay Waiver Request Form* and Form **RPD-41350**, *E-File and E-Pay Exception Request Form*.

File for free using the Taxpayer Access Point (TAP) website <https://tap.state.nm.us>.

IMPORTANT: After completing your paper or electronic return, make a copy for your records and keep it in a safe place.

Benefits of Filing Electronically

Electronic filing is fast, safe, secure, and it provides these benefits:

- File return, pay, and request a refund.
- View all letters sent by the Department.
- View your account and see if there are any missing returns or payments.
- You can speak with an agent while viewing your account and they can walk you through using TAP or any notifications you may be seeing on your account.
- You can also provide third-party access to your accountant to be able to complete returns, file, and pay your tax due.
- The state saves tax dollars in processing costs and results in faster processing times for returns and pay-

ments submitted to the Department.

Using The Department Website, Taxpayer Access Point (TAP)

To file your return on the Department website, follow these steps:

1. Logon or create a TAP account at <https://tap.state.nm.us>.
2. Select **Wage Withholding Tax (WWT)**.
3. Within the Return Panel Select **File Now**.
4. After you complete all your entries, check the Signature box, then click **Submit** to file.
5. Select **OK** in the Confirmation box to continue.
6. Select **Print Confirmation Page** showing your confirmation number as proof and verification that you filed online.
7. Select **Print Return** to print a copy of your return for your records.
8. Click **Print** to print a copy of your return for your records.

IMPORTANT: Do not mail the confirmation page or the return you filed online to the Department. Mailing in the return can cause processing issues.

If you need assistance filing your return on TAP, you may visit the Department's website contact page: <https://www.tax.newmexico.gov/contact-us/>, call the Call Center at: (866) 285-2996, or e-mail: TAP.TechnicalHelp@tax.nm.gov.

Where To Get Paper Tax Forms

Form **TRD-41414**, *Wage Withholding Tax Return* forms and schedules can be filled out by hand and mailed to the De-

partment if an exception or waiver has been granted. You can get these tax forms from any district office, request they be mailed to you, or by downloading them from the Department website.

Before Filing Your Return

1. Check the figures and your arithmetic on your Form **TRD-41414, Wage Withholding Tax Return** and on all your attachments. Make sure these are original forms and schedules.
2. If you created a working Form **TRD-41414, Wage Withholding Tax Return**, use blue or black ink to carefully

transfer your figures onto the clean Form **TRD-41414, Wage Withholding Tax Return** you plan to submit.

3. Sign and date your Form **TRD-41414, Wage Withholding Tax Return**.
4. Make a copy of your original return and attachments for your records, and keep it in a safe place in case you need to refer to it later. If someone prepares your return for you, get a copy for your records

IMPORTANT: Do not staple or tape your payment to the payment voucher.

WHAT TO KNOW AND DO BEFORE YOU BEGIN

Getting Ready

Follow these steps before you start filling out Form **TRD-41414, Wage Withholding Tax Return**:

1. Collect all forms and schedules you are required to file, publications you need to reference, and all your tax records.

For a description of different forms and schedules, see "Required Forms and Attachments" on page 3.

2. Read the next section, *Valid Identification Number Required*, a New Mexico Business Tax Identification Number (NMBTIN), and Federal Employer Identification Number (FEIN) are required.

Valid Identification Number Required

Enter your business name and New Mexico Business Tax Identification Number (NMBTIN) on all forms, schedules, and correspondence you send to the Department. The Department cannot accept a return without a valid identification number.

No New Mexico Business Tax Identification Number?

If you do not have NMBTIN, apply for one using the Form **ACD-31015, Business Tax Registration Application and Update Form** or by visiting the TAP website <https://tap.state.nm.us>.

DO NOT file a return unless you have a NMBTIN issued by

the Department. Filing a return without this number could result in a lost return or misapplied payment.

Important Guidelines

Review the following items before making your entries:

- Consider first preparing a working Form **TRD-41414, Wage Withholding Tax Return** so you can make mistakes and notes on it. After you complete the draft, you can neatly transfer the correct entries from your working copy to a clean Form **TRD-41414, Wage Withholding Tax Return**.
- Complete using the Department's fillable form, type or print using blue or black ink. Do not use a pencil.
- Complete all required information on your form. Failure to do this delays processing your return and may cause errors when the Department performs calculations during processing.
- Leave blank all spaces and boxes that do not apply to you. Do not draw lines through or across areas you leave blank.
- Write numbers clearly and legibly to reduce processing errors and increase efficiency. Use the boxes on the form as a guide for your handwritten entries.
- Do not use dollar signs (\$) or any punctuation marks or symbols other than a comma (,).

REQUIRED FORMS AND ATTACHMENTS

If you are unable to file an electronic return for a filing period complete and submit the applicable form below:

- Form **RPD-41350, E-file and E-Pay Exception Request Form**
- Form **RPD-41351, E-File and E-Pay Waiver Request Form**

Form TRD-41414, Wage Withholding Tax Return Followed by Forms and attachments submit in this order

- Form **TRD-41414, Wage Withholding Tax Return**

- Schedule CR, if required
- Supplemental Schedule CR, if required
- Payment voucher WWT-PV, if required
- Other required schedules or attachments.

Form TRD-41414, Wage Withholding Tax Return Required

Every person required to file a New Mexico wage withholding tax return.

Schedule CR

Use the Schedule CR, *New Mexico Business-Related Tax Credit Schedule*. Attachments for each credit are required. The attachments are specified next to each question on this form. If you believe you may qualify for some of these business credits please see Publication FYI-106 *Claiming Business-Related Tax Credits for Individuals and Business*

Supplemental Schedule CR

If you are claiming more than 20 credits, also file Supplemental Schedule CR, *Compensating Tax Business-Related Tax Credit Supplemental Schedule CR*.

Payment Voucher WWT-PV

If making a payment, place the payment and voucher at the front of the return, in this order.

- Payment (check or money order)
- WWT-PV Payment Voucher

When paying by check or money order, make sure to indicate the correct filing period of the return to which you want the payment to apply. Write your New Mexico Business Tax Identification Number (NMBTIN) on your check or money order.

Amended Return

Any change to the amount of withholding tax reported on the return requires an amended Form **TRD-41414**, *Wage Withholding Tax Return*. When filing an amended return mark the amended box on your return clearly. You will file this return as if it is an original return and must submit all forms mentioned before if they apply to your Form **TRD-41414**, *Wage Withholding Tax Return*.

Other Forms That May be needed

This section describes forms that are related to Form **TRD-41414**, *Wage Withholding Tax Return* that you may need.

WHEN AND WHERE TO FILE AND PAY

When and Where to File

File your return as soon as you have all the necessary information. Each Form **TRD-41414**, *Wage Withholding Tax Return* is due on or before the 25th of the month following the end of the tax period being reported. If you file or pay late, you may need to pay interest and penalties. See "Interest and Penalties" on page 8. If the date falls on a weekend, a legal, state or national holiday, your return and payment due date will be extended to the next business day.

Filing Periods and Due Dates

These dates should be selected based on your filing status. Your filing status can be located on your Registration Certificate received from the Department. The filing frequency will be monthly, quarterly or semiannually. See "Line Instructions for Form TRD-41414, Wage Withholding Tax Return" on page 5 for more information.

Notify the Department of a change to your business:

- Form **ACD-31015**, *Business Tax Registration Application and Update Form*

If you need anyone to have access to your account information, the following form will need to be submitted to the Department:

- Form **ACD-31102**, *Tax Information Authorization Tax Disclosure*

If you are required to file an electronic return but you are unable to submit one for a filing period complete and submit the applicable form below:

- Form **RPD-41350**, *E-file and E-Pay Exception Request Form*
- Form **RPD-41351**, *E-File and E-Pay Waiver Request Form*

Downloading Forms and Instructions

To download tax forms, follow these steps:

1. Go to <https://www.tax.newmexico.gov/forms-publications/>.
2. Locate the folders toward the bottom of the page, click the **Business Taxes** folder.
3. Click on the **Withholding and Workers Compensation** folder.

Check the Print Quality

Make sure the printer can clearly print a logo. If it can it will print a quality tax form. It is important to use an original and never submit a return with a form that has been **photocopied** or **photo shopped** as it will not be accepted by our processing machines.

How To File and Pay Online

The Taxpayer Access Point (TAP) <https://tap.state.nm.us> is a free online filing option.

If you owe tax, you will be given the option to pay your tax once you are finished filing your return through TAP. You may use a credit card for an online payment or pay by electronic check, or mail a check or money order to the Department.

NOTE: A convenience fee is applied for using a credit card. The State of New Mexico uses this fee, calculated on the transaction amount, to pay charges from the credit card companies. There is no charge for an electronic check.

Paper Returns

Mail paper returns no later than the deadline of **25th** of the month following the end of the tax period being reported. No Penalty will be imposed for reporting and paying early.

Determining a Timely Mailing Date for Paper Returns

If the U.S. Postal Service postmark on the envelope bears a date on or before the due date, a mailed New Mexico wage withholding tax return and tax payment are timely. If the due date falls on a Saturday, Sunday, or a state or national legal holiday, the tax return is timely when the postmark bears the date of the next business day.

If the date recorded or marked by a private delivery service is on or before the due date, delivery through a private delivery service is timely.

Mailing a Return, Payment, and Voucher

Do the following when mailing any payment by check or money order:

- Make it payable to New Mexico Taxation and Revenue

- Department.
- Write your New Mexico Business Tax Identification Number (**NMBTIN**), **WWT-PV**, and the filing period.
- Mail the voucher **WWT-PV** with your payment.

Make your check or money order payable to New Mexico Taxation and Revenue Department, and write your **NMBTIN** on your payment.

Please mail your completed Form **TRD-41414**, *Wage Withholding Tax Return* with payment and WWT-PV to:

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

LINE INSTRUCTIONS FOR FORM TRD-41414, WAGE WITHHOLDING TAX RETURN

What To Do Next

Fill in your return using the line instructions that start on this page. When you finish filling in your Form **TRD-41414**, *Wage Withholding Tax Return*, see "Before Filing Your Return" on page 3.

INSTRUCTIONS FOR WAGE WITHHOLDING TAX

New Mexico Business Tax Identification Number (NMBTIN)

This number was issued to you by the New Mexico Taxation and Revenue Department and can be located on your Registration Certificate.

No New Mexico Business Tax Identification Number?

If you do not have NMBTIN, apply for one using the Form **ACD-31015**, *Business Tax Registration Application and Update Form* or by visiting the TAP website <https://tap.state.nm.us>.

DO NOT file a return unless you have a NMBTIN issued by the Department. Filing a return without this number could result in a lost return or misapplied payment.

Federal Employer Identification Number (FEIN)

This number is issued by the Internal Revenue Service. If you have an FEIN associated with your business, please enter your FEIN here. If you do not have an FEIN, leave this field blank. A business that is a sole proprietorship will likely not have an FEIN number.

Business Name

Clearly print the name of the business associated with the New Mexico Business Tax Identification Number (NMBTIN).

New or Changed Address Check Box

If the mailing address that you are adding below has changed or is a new address, please mark X in this box. This will allow for your address to be updated in the Department's system. This will ensure that any letters sent by

the Department will go to the correct address for your Form **TRD-41414**, *Wage Withholding Tax Return*.

Mailing address, City, State, Postal/ Zip Code

Enter your mailing address here. If you have a foreign address, enter the street address, city name and postal code in the appropriate line. Also complete the spaces for the foreign province and/or state and country. Follow the country's practice for entering the foreign postal code, the province or state, and country. Do not abbreviate the country name. If your address is located within the United States of America, leave these boxes blank.

E-mail address

Enter the e-mail address you would like the Department to use to contact you if there are any questions about the return you are submitting. If you would not like to be contacted by e-mail, leave this field blank.

Phone Number

Enter the phone number you would like the Department to use to contact you if there are any questions about the return you are submitting. If you would not like to be contacted by phone, leave this field blank.

Tax Period

Enter the beginning and ending dates of the tax period based on your filing status. Your filing status can be located on the registration certificate you received from the Department. The filing frequency will be monthly, quarterly, or semiannually.

For the beginning date, enter the first day of the period that you are filing a return for. Use the format MM/DD/CCYY. This date should match your filing status. See table below.

For the ending date, enter the last day of the period that you are filing a return for. Use the format MM/DD/CCYY. This date should match your filing status. See tables below:

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MONTHLY FILING STATUS**		
BEGINNING	ENDING	DUE DATE*
January 1	January 31	February 25
February 1	February 28 or 29	March 25
March 1	March 31	April 25
April 1	April 30	May 25
May 1	May 31	June 25
June 1	June 30	July 25
July 1	July 31	August 25
August 1	August 31	September 25
September 1	September 30	October 25
October 1	October 31	November 25
November 1	November 30	December 25
December 1	December 31	January 25

QUARTERLY FILING STATUS		
BEGINNING	ENDING	DUE DATE*
January 1	March 31	April 25
April 1	June 30	July 25
July 1	September 30	October 25
October 1	December 31	January 25

SEMI-ANNUAL FILING STATUS		
BEGINNING	ENDING	DUE DATE*
January 1	June 30	July 25
July 1	December 31	January 25

***Due Date** If your due date falls on a weekend, a legal, state or national holiday, your Form **TRD-41414, Wage Withholding Tax Return** and payment due date will be extended to the next business day.

****Monthly Filing Status** If you are a seasonal, temporary, or special event filer, use the monthly filing statuses. These filing frequencies allow for business that do not do regular business in New Mexico to file a singular return for the time period that business was conducted in New Mexico.

Note Each Form **TRD-41414, Wage Withholding Tax Return** is due on or before the 25th of the month following the end of the tax period that is being reported.

No Penalty will be imposed for reporting and paying early. However, you cannot file online until after the period you are filing for has ended. Example: For the filing period that begins on January 1st and ends January 31st your Form **TRD-41414, Wage Withholding Tax Return** can not be filed online until February 1st.

Amended Return Check Box

Check the amended return box only if you are amending over your original return. If you are amending the return, provide a short explanation of why you are amending in the space provided.

When amending a return, fill out the return as it should have been filed to correct the previous version of the return. **Do not** enter only supplemental amounts on the amended return. Enter the total correct amounts that should have been reported for the period. For example: if the original return reported the total amount of gambling withholding tax as \$3500, and the actual amount should have been \$4000, the amount you will enter on the return is \$4000, and not just the difference of \$500.

LINE 1: Number of employees.

Enter the total number of employees that you are withholding for in this period. Include only employees whose New Mexico wage withholding tax you are paying during this filing period.

LINE 2: Gross New Mexico Wages.

Enter the gross New Mexico wages paid from which the total New Mexico wage withholding tax is being reported.

LINE 3: Total New Mexico Wage Withholding Tax.

Enter the total amount of New Mexico wage withholding tax that you are reporting in this period.

LINE 4: Business-related tax credits applied from Schedule CR, line A.

Business-related business tax credits applied from Schedule CR, line A. Attach Schedule CR. The amount on this line should not be more than line 3. If the credit that you are claiming is refundable, on line 4 claim the amount of the credit that should be applied to your tax liability. Any additional refundable portion of the credit, should be claimed on line 6.

If you are eligible, do the following:

- Complete Schedule CR.
- From Schedule CR, line A, enter the total amount you claimed and applied to your tax due on line 4.
- Attach Schedule CR (and any required forms or documentation to support your claim) to your Form **TRD-41414, Wage Withholding Tax Return**.

LINE 5: Net Wage Withholding Tax.

Subtract line 4 from line 3 and enter the amount here.

LINE 6 : Refundable business-related tax credits applied, from Schedule CR, line B.

Refundable business-related business tax credits applied from Schedule CR, line B. Attach Schedule CR. If you are eligible, do the following:

- Complete Schedule CR.
- From Schedule CR, line B, enter the total amount of tax credit that may be refunded to you.

LINE 7: Payments.

Enter the amount of payments made for this period with a WWT-PV or other payments less any refunds for the period.

Only include payments that were made before this return is submitted. For example, if a WWT-PV and payment was submitted with the original return to cover a tax liability include that payment amount on the amended return.

LINE 8: Total Payments and Credits.

Add line 6 and 7 and enter the sum on this line.

LINE 9: Tax Due.

If line 5, Net Wage Withholding Tax, is greater than line 8, Total Payments and Credits, enter the difference on this line.

LINE 10: Penalty.

If you file late and owe tax, or if you do not pay the tax on or before the date your return is due, enter penalty here.

If you want the Department to calculate the penalty and send you the bill, leave the line blank. The Department sends you a bill or, if you are due a refund, reduces your refund by the amount of the penalty due.

Penalty is applied for failure to pay or file on time. Penalty is calculated at a rate of 2% of Line 9 per month or partial month (any fraction of a month is a full month) the Form **TRD-41414, Wage Withholding Tax Return** or payment is late, up to 20% of the tax due.

Calculate penalty by multiplying the unpaid amount of tax due on line 9 by 0.02 (2%). Then multiply this product by the number of months or partial months for which your return or payment is late. The result cannot exceed 20% of the tax due.

LINE 11: Interest.

If you do not pay the tax due on or before the original due date of your return, even if you receive an extension of time to file, add interest.

If you want the Department to calculate interest for you, leave the line blank. The Department calculates the interest and sends you a bill for interest due or reduces your refund by the amount of penalty due.

Interest is calculated daily but the rate will be set at the rate established for individual income tax purposes by the U.S. Internal Revenue Code (IRC). The IRC rate, which changes quarterly, is announced by the IRS in the last month of the previous quarter. The annual and daily interest rates for each quarter and calculation example are posted on our website at <https://www.tax.newmexico.gov/all-nm-taxes/penalty-interest-rates/>.

NOTE: You are not liable for interest if the total interest due is less than \$1.00.

IMPORTANT: When you pay your principal tax liability, interest stops accruing. Because it stops accruing, you do not need to calculate the amount of interest due on your return past the date you pay the principal tax.

LINE 12: Total Tax, Penalty, and Interest Due

Add lines 9, 10, and 11 and enter the amount on this line.

LINE 13: Amount to be Refunded

If line 5 is less than line 8 enter the amount on this line. This is the amount is the overpayment that will be refunded. Review "Refunds" on page 8 and "Refund Express Section" on page 7.

Refund Express Section

If you request an amount to refund to you on line 13, the Department can refund your tax by depositing it directly into your bank account.

IMPORTANT: This is **only** available for deposits to the taxpayer's account. You may not request deposit of refunds into another person's account.

The Department is not responsible for the misapplication of a direct deposit refund caused by the error, negligence, or malfeasance on the part of the taxpayer.

Receiving a Direct Deposit

To receive a direct deposit, complete all the information requested in the **Refund Express** section:

- RE.1 Bank routing number
- RE.2 Account number
- RE.3 Checking or savings account
- RE.4 Location question

IMPORTANT: All fields are required. Failure to **complete all** four fields properly or if your bank does not accept your **Refund Express** information will causes denial of your direct deposit request and a paper check will be mailed.

Bank Routing Number

The routing number identifies your bank. If the first two digits are not a number from 01 to 12 or 21 to 32, the system rejects the direct deposit and issues you a check.

IMPORTANT: A bank routing number must have nine digits.

If your check states it is payable through a bank different from the financial institution where you have your checking account, **do not** use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on line RE.1.

Bank Account Number

Your account number can be up to 17 characters. Include hyphens, but omit spaces and special symbols. On line RE.2, enter the account number from left to right leaving unused boxes blank. **Do not** include the check number in your account number.

CAUTION: Some financial institutions do not allow deposit of a joint refund into an individual account. If a financial institution refuses a direct deposit, the Department is not responsible.

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Will This Refund Go To or Through An Account Located Outside the United States?

To comply with federal banking rules, you must indicate whether the refund will go to or through an account outside the United States in question RE.4. If it is, you may not use this refund delivery option. You may use a different bank account or leave the **Refund Express** portion blank and a paper check will be mailed to the address on the return.

A financial institution is located within the territorial jurisdiction of the United States if it is:

- located within the United States;
- located on a United States military base; or
- located in American Samoa, Guam, the Northern Mariana Islands, Puerto Rico or the U.S. Virgin Islands.

If you answer this question incorrectly, your refund may be delayed, rejected or frozen by the National Automated Clearing House Association (NACHA) or the Office of Foreign Assets Control (OFAC).

INSTRUCTIONS FOR SCHEDULE CR

The WWT-CR is divided into several sections. The first section lists the business-related tax credits by credit type code. These tax credits are divided into (1) the non-refundable business-related tax credits to be applied against tax due, and (2) the refundable business related-tax credits that may be applied both against tax due and as a credit to be refunded.

The next section is divided into columns A-D:

- the credit type code in column A. You must complete this field;
- the credit approval number, if applicable. It may not be available for all credits, and for some credits the credit approval number is not required. If your business credit does not have a credit approval number, leave the credit approval number field blank;
- the amount to be applied to the tax liability on the return;

and

- any amount of the credit that may be refunded to you.

You must report the first 20 credits on Schedule WWT-CR. If you are claiming more than 20 credits to be applied to your tax liability or to be refunded, complete and attach the WWT-CR Supplemental. Attach the supplemental to the Schedule PIT-CR to report the additional credits.

Enter the sum of column C (Amount Claimed Applied to Tax Due) on line A, Schedule WWT-CR.

Enter the sum of column D (Amount of Credit to Refund) on line B, Schedule WWT-CR.

Carry the numbers from line A and B over to the Form **TRD-41414, Wage Withholding Tax Return** as called for on the WWT-CR.

REFUNDS

Refunds

If your account has an overpayment and you do not need to file an original or amended return you must submit Form **RPD-41071, Application for Tax Refund** and all required supporting documentation.

Information Required to Claim a Refund

According to Section 7-1-26 NMSA 1978, the following information is required to claim a refund:

- Taxpayer's name, address, and identification number.

- Type of tax for which the refund is claimed, the credit or rebate denied, or the property levied upon.
- Sum of money or other property claimed.
- Period(s) for which the overpayment was made.
- Brief statement of the facts and law on which the claim is based, referred to as the basis for refund, and documentation to support and substantiate the taxpayer's basis for the refund.
- If applicable, a copy of an amended return for each tax period for which the refund is claimed.

INTEREST AND PENALTIES

Interest

Interest accrues on tax that is not paid on or before the due date of your return.

Important: Interest is a charge for the use of money and by law it cannot be waived.

Important: Because the Department bills you for any penalty or interest due on your return, you do not need to calculate the amount of penalty or interest due. If penalty and interest are due, you can leave these field blank on your

return.

When you pay your principal tax liability, penalty and interest stop accruing.

Negligence Penalty for Late Filing or Late Payment

If you file late and owe tax, or if you do not pay your tax when due, you receive a penalty of 2% of the tax due for each month or part of a month you do not file the return or you do not pay the tax, up to a maximum of 20%.

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This penalty applies when your failure to timely file or pay is due to negligence or disregard of the rules and regulations, but without intent to defraud.

Tax Fraud

A person is guilty of tax fraud if the person:

- Falsifies any return, statement, or other document;
- Willfully assists, procures, advises, or counsels the filing of a false return, statement, or document;
- Files any return electronically, knowing the information on the return is not true and correct as to every material matter; **or**
- Removes, conceals, or releases or aids in the removal,

concealment, or release of any property on which levy is authorized by the Department.

Whoever commits tax fraud may be found guilty of a petty misdemeanor, misdemeanor, fourth degree felony, third degree felony, or second degree felony. Additional information can be located under Section 7-1-73 NMSA 1978.

Returned Check Penalty

A check that is not paid by a financial institution does not constitute payment. A penalty of \$20 is assessed for a bad check in addition to other penalties that may apply to a late payment.

YOUR RIGHTS UNDER THE TAX LAW

Your Rights

To help avoid tax problems, keep accurate tax records and stay current with tax law changes. Information in these instructions and other Department publications help you do both.

While you can resolve most tax problems informally, it is important to understand you must exercise certain rights provided to you under law within specific time frames. If the Department makes an adjustment to your return, the Department sends you a notice explaining the adjustment and the procedures to use if you disagree.

Useful Publications

Publications **FYI-402**, *Taxpayer Remedies* and **FYI-406**, *Your Rights Under the Tax Laws*.

Refunds

If the Department denies your claim for refund in whole or in part, you may file a protest with the Department within 90 days of either mailing or service of the denial, or you may file a lawsuit with the Santa Fe District Court.

If the Department requests additional relevant documentation from you, the claim is not complete until the documentation is received within the specified time period. The date the complete claim is submitted will determine when the 180 days begin. If you do not provide the additional requested relevant documentation, the claim for refund remains incomplete and will not be processed.

New Mexico Taxpayer Bill of Rights

Most tax transactions happen without problems. Sometimes, thought, troubles arise through misunderstanding, mathematical error, missed deadlines, lost papers, high volume of transactions and many other situations. Changes in the law may make earlier information outdated. Over the years the Legislature and the Department have created ways to handle difficulties according to the provisions of the state tax code. Following are some of your rights as outlined in Sections 7-1-4.1 through 7-1-4.3 NMSA 1978:

- The right to available public information and prompt and courteous tax assistance;
- The right to representation and advice by counsel or other qualified representatives at any time during your interactions with the Department according to provisions of Section 7-1-24 NMSA 1978, or with the Administrative Hearings Office in accordance with the provisions of the Administrative Hearings Office Act;
- The right to have audits, inspections of records and meetings conducted at a reasonable time and place according to Section 7-1-11 NMSA 1978;
- The right to have the Department conduct its audits in a timely and efficient manner and be entitled to the correct calculation of interest as provided in the Tax Administration Act under Section 7-1-67 and 7-1-68 NMSA 1978;
- The right to simple, non-technical information explaining procedures, remedies and rights during audit, protest, appeals and collection proceedings under the Tax Administration Act;
- The right to receive an explanation of audit results and the basis for audits, assessments or denials of refunds that identify tax, interest or penalty due;
- The right to seek review through formal or informal proceedings of findings or unfavorable decisions arising from determinations during audit or protest procedures according to Section 7-1-24 NMSA 1978 and the Administrative Hearings Office Act;
- The right to have your tax information kept confidential unless otherwise specified by law in Sections 7-1-8 through 7-1-8.11 NMSA 1978;
- The right to an abatement of an assessment of taxes incorrectly, erroneously or illegally made (Section 7-1-28 NMSA 1978) and a right to seek a compromise of an asserted tax liability. When the Secretary of Taxation and Revenue in good faith doubts that you owe us what we claim you owe, you also have the right to seek a compromise if one exists in your particular case (Section 7-1-20 NMSA 1978);
- The right to clear information of the consequences if a tax assessment is not paid, secured, protested or otherwise provided for according to Section 7-1-16 NMSA 1978. If you become a delinquent taxpayer, upon notice of delinquency you have the right to timely notice of collection actions that require sale or seizure of your property under the Tax Administration Act, and

- The right to apply to pay your tax obligations by installment payment agreements according to the provisions of Section 7-1-21 NMSA 1978.

Confidentiality Provisions:

Statutes protecting the privacy of your taxes are strict and are outlined in Sections 7-1-8 through 7-1-8.11 NMSA 1978. Section 7-1-8.2 NMSA 1978 limits requiring the Department to answer questions about whether a taxpayer is registered to do business in New Mexico or is registered for other tax programs. It does not allow employees to say whether you have filed a return. Employees may discuss your account only with you or your authorized representative. A hearing officer's written ruling on questions of evidence or procedure pursuant to the Administrative Hearings Office Act are in the public domain. The name and identification number of the taxpayer requesting the ruling are not public record. Public record includes the monthly gasoline tax reports of numbers of gallons of gasoline and ethanol-blended fuels received and deducted, and the tax paid by each filer or taxpayer pays. Identities of rack operators, importers, blenders, suppliers or distributors and the number of gallons of gasoline and other fuels are public record. The Department may reveal to the Gaming Control Board the tax returns of license applicants and their affiliates.

Audit Provisions:

The Department must provide you with written, dated notice that an audit is about to begin on a specific date, and the notice must tell you which tax programs and reporting periods will be covered. We must issue a second notice, which states any outstanding records or books of account requested and not yet received, between 60 and 180 days after the audit begins. If you do not produce the records within 90 days, the Department can issue an assessment of tax on the basis of the information as it stands. If you need additional time, you must submit a specific request in writing. Interest on outstanding liabilities accrues if the Department does not issue an assessment within 180 days of the notice of outstanding records or books, or within 90 days after time has expired under your request for additional time; however, you are entitled to an abatement of interest for the period of time after you have complied with Department requests and the Department has not acted on the audit.

Administrative Hearing Procedures:

A hearing officer may not engage or participate in any way in the enforcement or formulation of general tax policy other than to conduct hearings. You may request the Chief Hearing Officer of the Administrative Hearings Office determine if a hearing officer has engaged or participated in the enforcement or formulation of tax policy and if the hearing officer's activities have affected his or her impartiality. The Chief Hearing Officer may designate another hearing officer for the matter. Hearing officers may not communicate unilaterally about a matter you have protested while that matter is still pending. The chief hearing officer may appoint another hear-

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ing officer if that occurs. You may request a written ruling on any contested question of evidence in matters in which you have filed a pending written protest. You also may request that two or more protests on related issues be combined and heard jointly, and the hearing officer shall grant the request unless it creates an unreasonable burden on the Department.

Credit Claims:

The Department has 180 days from the filing date to approve or deny a statutory tax credit. If it does not act, the credit is approved. The Secretary decides whether a refund of tax due you may be offset against your other tax liabilities, and you will receive notice that the refund will be made accordingly. You are entitled to interest until the tax liability is credited with the refund amount. Please see the paragraph above on "Audit Provisions" for interest due to you if the Department does not offset a refund or credit against your other tax liabilities within the prescribed time. The Department may make a direct refund of overpaid taxes to the taxpayer without requiring the taxpayer to file a refund claim. The Department does not have to pay interest on credits or refunds if it applies the amount to a tax interception program, to an estimated payment, or to offset prior liabilities of the taxpayer.

Awarding of Costs and Fees:

If you prevail in an administrative or court proceeding brought by you or against you after July 1, 2003, under the Tax Administration Act, you may be entitled to a judgment or a settlement for reasonable administrative costs connected to the action.

Penalty:

The Department may not assess penalty against you if you fail to pay tax when due because of a mistake of law made in good faith and on reasonable grounds. If the Secretary determines that it is unfair to hold a spouse or former spouse liable for payment of unpaid taxes, the Secretary may decline to take action against the spouse or former spouse of the person who actually owes the tax. In extreme cases of delinquency under Section 7-1-53 NMSA 1978 the Department may enjoin a taxpayer from continuing in business after a hearing and until the delinquency is cleared.

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