
2014 New Mexico Instructions for Form FID-1 Fiduciary Income Tax Return

READ THE INSTRUCTIONS CAREFULLY. They answer most questions, save time, and may save money. File your return as early as possible. If you have additional questions, visit our website at www.tax.newmexico.gov.

Our contact information is: Telephone: (505) 827-0825 in Santa Fe or toll free (866) 809-2335, option 4
E-mail: cit.taxreturnhelp@state.nm.us
Mailing address: New Mexico Taxation and Revenue Department
ATTENTION: Corporate Income and Franchise Tax
P. O. Box 25127
Santa Fe, New Mexico 87504-5127

These Instructions Cover the Following Forms:

FID-1, *Fiduciary Income Tax Return*

FID-B, *Computation of New Mexico Percentage*

FID-CR, *Tax Credit Schedule*

FID-EXT, *Extension Payment Voucher*

FID-PV, *Tax Payment Voucher*

FID-ES, *Estimated Tax Payment Voucher*

FID-D, *Annual Withholding of Net Income
From a Fiduciary Detail Report*

2014 Legislative Summary

For information about New Mexico tax law changes enacted during 2014, see Bulletin B-100.26, *2014 Legislative Summary*. Legislative summaries are available for each year, providing a brief description of new legislation passed during that year affecting the Taxation and Revenue Department. Visit our web page and click on "Forms and Publications", then search the "Bulletins" for the Legislative Summary for the year in which the legislation passed.

Which Form to File:

In general, the federal return that you are required to or elect to file determines the New Mexico income tax return that you file. See the chart on the next page.

Fiscal year and short year filers use the FID-1 return applicable to the tax year in which the fiscal year or short year begins. For example, if the tax year begins on June 30, 2014, use the 2014 FID-1 return, regardless of the ending date of the tax year.

You can download all New Mexico Taxation and Revenue Department (TRD) forms, instructions, and information brochures from the TRD website at www.tax.newmexico.gov or by contacting the Department.

Your Electronic Services

- ◆ **Direct Deposit.** Taxpayers due a refund may have their refunds deposited directly into their bank accounts through Refund Express. See FID-1 return, bottom of page 2.
- ◆ **Pay via credit card or electronic check** - Taxpayers may pay taxes over the Internet with Visa, MasterCard, Discover or American Express cards. A 2.40% convenience fee calculated on the amount of the transaction covers costs that the companies bill the state when you use your card. **You may also pay by electronic check at no charge.** An electronic check authorizes TRD to debit your checking account in the amount and on the date you specify.
- ◆ **Download forms, publications and brochures or ask a question** - Taxpayers may access forms, publications and brochures from our website.
- ◆ **Ask a question** - You can ask general questions about New Mexico taxes using the e-mail address policy.office@state.nm.us, or ask about your tax return at cit.taxreturnhelp@state.nm.us.
- ◆ **New Mexico Taxpayer Access Point: TAP is a secure resource that allows taxpayers to check the status of tax accounts online, file certain returns, make payments, and change their address.** Access our website and select the Taxpayer Access Point (TAP) link. This resource is currently available for the following tax programs: Personal Income Tax (PIT), Corporate Income and Franchise Tax (CIT), Pass Through Entity (PTE), S Corporate Income and Franchise Tax (CIT), Combined Reporting System (CRS), E911 Services Surcharge (911), Combined Fuel Tax (CFT), Cigarette Tax (CIG), Fiduciary Income Tax (FID), Bingo and Raffle Tax (BRT), Conservation Tax (CNS), Gaming Operator Tax (GMO), Gaming MFG and Distributor Tax (GMD), Water Conservation Fee (H2O), OGP Withholding Tax (OGP), PTE Withholding Tax (PTW), Local Liquor Excise Tax (LLQ), Liquor Excise Tax (LIQ), Resource Excise Tax (RES), Severance Tax (SEV), Alternative Fuels Excise Tax (AFD), Tobacco Products Tax (TPT), Telecommunications Relay Service Surcharge (TRS), Weight Distance Tax (WDT), and Workers' Compensation Fee (WKC).

If you file Federal form...	You file New Mexico form...
1065 U.S. Return of Partnership Income	PTE Information Return for Pass-Through Entities
1120 U.S. Corporation Income Tax Return	CIT-1 Corporate Income and Franchise Tax Return
1120S U.S. Income Tax Return for an S Corporation	S-Corp Sub-Chapter S Corporate Income and Franchise Tax Return
1040 U.S. Individual Income Tax Return	PIT-1 Personal Income Tax Return
1041 U.S. Income Tax Return for Estates and Trusts	FID-1 Fiduciary Income Tax Return

FIDUCIARIES REQUIRED TO FILE A NEW MEXICO RETURN

Every fiduciary who is required to file a U.S. fiduciary income tax return (federal Form 1041), except a fiduciary of a grantor trust who is required to file federal Form 1041 under the provisions of federal regulation 1.671-4(a), must file a FID-1, *New Mexico Fiduciary Income Tax Return*, if any of the following is true:

- The trust is a “resident” of New Mexico.
- The estate is of a decedent who was a resident of New Mexico.
- The trust or estate has income from:
 - a. A transaction of business in, into, or from New Mexico; **or**
 - b. Property in New Mexico; **or**
 - c. Compensation in New Mexico.

An **estate** is **DOMICILED IN NEW MEXICO** if the decedent was domiciled in New Mexico. A **trust** is **DOMICILED IN NEW MEXICO** if the trustee is domiciled in New Mexico, **or** if the principal place from which the trust is managed or administered is in New Mexico.

Grantor Trusts

Generally, grantor trusts are not required to file a FID-1 return. However, if a grantor trust has become irrevocable upon the grantor's death, the grantor trust must file a FID-1. If the grantor trust, including a living trust, distributes taxable New Mexico net income that exceeds \$20,000 in a calendar year, the grantor trust must file a FID-1.

A grantor trust is a pass-through entity (PTE) and subject to withholding on New Mexico net income distributed when the income distributed is taxable to the beneficiary. The grantor trust must also file Schedule FID-D, *Annual Withholding of Net Income From a Fiduciary Report*. See **Withholding**

for Non-Resident Beneficiaries of a Pass-Through Entity in the next section. Also see special instructions for FID-1, line 1, for grantor trusts who file the FID-1 return.

Non-Resident Trusts

New Mexico's law says every person, including an estate or trust, who has income from New Mexico sources and who is required to file a federal income tax return must file an income tax return in New Mexico. This includes non-residents who have income from wages, rents, royalties, businesses, estates, and every other New Mexico source. Even foreign nationals and people who live in states that do not have income taxes must file in New Mexico when they have a federal filing requirement and have income from any New Mexico source whatsoever.

WITHHOLDING FOR NON-RESIDENT BENEFICIARIES OF A PASS-THROUGH ENTITY

Beginning January 1, 2011, an estate or trust that distributes New Mexico allocable net income taxable to its beneficiaries is a PTE and subject to withholding pursuant to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act (Sections 7-3A-1 through 7-3A-9 NMSA 1978). As a PTE, the trust or estate is required to withhold from the non-resident beneficiary's share of taxable New Mexico net income of the trust or estate. The withholding rate is 4.9%.

The required annual withholding is paid with Schedule FID-D, *Annual Withholding of Net Income From a Fiduciary Detail Report*. When the income is taxable to the beneficiary, the beneficiary is included on Schedule FID-D, and FID-D is due even if no tax was withheld. When the income distributed is not taxable to the beneficiary, as in the case of some grantor trusts, the

distributed income is not included on FID-D.

Certain exceptions to the requirement to withhold are allowed, and you must maintain documentation in the PTE's records to establish that the PTE had reasonable cause for not withholding. A complete list of exceptions is provided later in these instructions. See **Reasonable Cause for Not Withholding**.

If a PTE has 50 or fewer beneficiaries who receive New Mexico taxable net income, the trust or estate may submit the completed Schedule FID-D with the FID-1 return.

If a PTE has more than 50 beneficiaries who receive New Mexico taxable net income, the trust or estate is required to electronically file Schedule FID-D through the Department's website.

If the PTE has more than 50 New Mexico payees, and is unable to file electronically because a hardship exists, the PTE may request Department approval to file by paper. The PTE may request approval by filing Form RPD-41350, *E-File Exception Request Form*. The request must be received by the Department at least 30 days before the taxpayer's electronic report is due.

When required to be filed electronically, a paper filed Schedule FID-D will be rejected by the Department.

Schedule FID-D, *Annual Withholding of Net Income From a Fiduciary Detail Report*, is due on or before the due date of the entity's federal return for the tax year. If a pass-through entity is not required to file a federal income tax return for the tax year, the entity must file Schedule FID-D with the Department no later than 105 days after the end of its tax year.

If a federal automatic extension or a New Mexico extension is obtained for

the FID-1 return, the extension also applies to the filing of Schedule FID-D. An extension waives penalty through the extension due date, but does not waive interest.

Other Reporting Requirements.

Estates and trusts are also required to provide sufficient information to allow beneficiaries to comply with the provisions of the Income Tax Act and the Corporate Income and Franchise Tax Act, with respect to the beneficiary's share of the taxable net New Mexico income. An estate or trust uses federal Forms 1099-Misc, *pro forma* 1099-Misc, or Form RPD- 41359, *Annual Statement of Pass-Through Entity Withholding*, to report to the beneficiaries the allocable net income and the New Mexico tax withheld. These forms must be provided to the beneficiary by February 15th of the year following the year for which the statement is made. These forms are not required to be submitted to the Department when reported on the Schedule FID-D.

The fiduciary must furnish each beneficiary with a statement detailing the amount of income allocable or apportionable to New Mexico for each type of income shown on Federal Schedule K-1. In addition, this statement is expected to show the amount of each beneficiary's share of interest from obligations of the U.S. government and federally tax-exempt interest distributed from the trust or estate, and the portion of such items allocable to New Mexico. A Schedule K-1 or equivalent is not sufficient evidence of New Mexico income tax withheld.

IMPORTANT: To receive proper credit for withholding, all annual statements must be issued to the entity filing the New Mexico income tax return.

ATTACHMENTS TO FID-1 RETURN

You must complete and submit **all required forms and schedules**, including attachments, as indicated in the instructions. Incomplete returns delay processing and may cause the form to be returned to you without processing.

Attach the following to your FID-1 in this order:

- If income is received from sources both inside and outside New Mexico, complete and attach Form FID-B Schedules 1 and 2.
- If tax credits are claimed on line 11, FID-1, attach Schedule FID-CR. Make sure to attach any additional required documentation.
- Attach all annual statements of income and withholding issued to the estate or trust. This includes New Mexico Forms RPD-41359, *Annual Statement of Pass-Through Entity Withholding*, and RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*; federal Form(s) W-2 and 1099-Misc; and any other income and withholding statement received.
- If a credit is claimed for taxes paid to another state, attach a copy of the tax return(s) from the other state(s).
- Attach federal tax return Form 1041, pages 1 and 2.
- If you are an Electing Small Business Trust (ESBT) with taxable income used to compute the tax on the S portion of the ESBT that you included on line 1 of the FID-1 return, also attach the ESBT calculation schedule from your federal Form 1041.
- If you have an unused **New Mexico net operating loss carry-forward** amount from a previous year, attach Form RPD-41375, *Net Operating Loss Schedule For Fiduciary Income Tax*, to your return showing the tax year when each New Mexico net operating loss occurred. The schedule also should list each loss for each tax year for which it was carried forward, including 2014.
- If the trust or estate, who is also a pass-through entity (PTE), has 50 or fewer beneficiaries who receive New Mexico taxable net income, the trust or estate may submit the completed Schedule FID-D with the FID-1 return.

If a PTE has more than 50 beneficiaries who receive New Mexico taxable net income, the trust or estate is required

to electronically file Schedule FID-D through the Department's website. The FID-D is filed separately from the FID-1 return.

NOTE: The Department may require any taxpayer to furnish a complete, true and correct copy of the federal fiduciary income tax return, including all attachments and schedules.

WHERE TO GET FORMS, INSTRUCTIONS, AND HELP

You can download all New Mexico Taxation and Revenue Department (TRD) forms, instructions, and information brochures from the TRD website at www.tax.newmexico.gov. You can also get forms and help by calling (505) 827-0825 in Santa Fe or toll free at (866) 809-2335, option 4. If you prefer, you can contact the Department by email at cit.taxreturnhelp@state.nm.us.

File Returns Only on Approved State Forms. Always submit 2014 Fiduciary Income Tax Returns on official state forms provided by or approved by TRD. Never submit a photocopy of an official state form. This causes delays in processing your return.

If you do not use the official tax form provided by TRD, any computer-generated form you use must comply with TRD specifications. TRD approves software companies to generate printable New Mexico income tax forms, provided that they follow specifications and format requirements. To make sure the software developer or form vendor has been approved by TRD, see the list of approved software developers on the TRD website.

On the Department's website, click on "Tax Professionals" then select "Software Developers" on the left side of the page. See "Approved Software Developers for the Reproduction of 2014 New Mexico Tax Forms" or call (505) 827-0910. Acceptance of the software company does not imply endorsement by the Department for the quality of the services provided.

TRD does not review or approve the logic of specific software programs, nor

does it 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.

NOTE: When downloading a form from the Internet or printing a form from an approved software product, you must comply with printing and legibility requirements. A poor quality return will delay processing. **HINT:** If your printer can print a logo clearly then it will print a quality tax form.

DUE DATE OF THE NEW MEXICO RETURN AND TAXES

For fiduciaries that file on a calendar year basis, the FID-1, *2014 New Mexico Fiduciary Income Tax Return*, is due on or before April 15, 2015 with payment of taxes due.

For fiduciaries that file on a fiscal year basis, the FID-1, *2014 New Mexico Fiduciary Income Tax Return*, is due on or before the 15th day of the fourth month following the close of the fiscal year with payment of taxes due.

A New Mexico income tax return and tax payment are timely if the United States Post Office postmark on the envelope bears a date on or before the due date. If the due date falls on a Saturday, Sunday, state or national legal holiday, the return is timely if the postmark bears the date of the next business day. Delivery through a private delivery service is considered timely if the date recorded or marked by the private delivery service is on or before the due date.

EXTENSION OF TIME TO FILE THE RETURN

TRD accepts an automatic extension of time granted by the Internal Revenue Service if a copy of the federal extension is attached to a FID-1 return at the time of filing. If applicable, attach a copy of the automatic extension request to your FID-1, *New Mexico Fiduciary Income Tax Return*.

If you need an extension of time to file the New Mexico tax return and do not require a federal extension of time to

file, Form RPD-41096, *Extension of Time to File*, must be received by TRD on or before the due date of the return.

FID-EXT, Fiduciary Income Tax Extension Payment Voucher. If you expect your return to show a balance due and you have obtained either a federal automatic extension or a New Mexico extension, use the FID-EXT payment voucher to make an extension payment by mail or delivery. *Extension payments may also be paid using the Department's website.*

By obtaining an extension of time to file your return, penalty for failure to file and pay is waived through the extension period, provided you file the return and pay the tax shown on the return by the extended due date. However, interest continues to accrue even if the taxpayer obtains the extension. If you expect to owe more tax when you file your 2014 return, make a payment using the Department's website or using the 2014 FID-EXT payment voucher and avoid the accrual of interest.

Mail the **payment and voucher** to the address printed on the voucher. Write "2014 FID-EXT" and the estate or trust's federal employer identification number on the check or money order.

PAYMENT OF YOUR FIDUCIARY INCOME TAX

You may pay the fiduciary income tax due on the Department's website or by mailing a check with the return. If submitting the check with the return, attach the FID-PV, *Fiduciary Income Tax Payment Voucher*, with your return. Make the check payable to the New Mexico Taxation and Revenue Department. Mail the return, attachments and payment to:

**New Mexico Taxation
and Revenue Department
P.O. Box 25127
Santa Fe, New Mexico 87504-5127**

Write "2014 FID-PV" and the estate or trust's federal employer identification number on your check to avoid a misapplication of funds.

NOTE: Because the Department uses

high-speed scanners when processing payment vouchers, a quality form helps ensure accuracy. Do not photocopy. The scanners can read only one page size to process vouchers, therefore it is important that you **cut on the dotted line only**. When printing the voucher from the Internet or a software product, prevent resizing by setting the printer's page scaling function to **none**. If your payment voucher has a scanline (a very long row of numbers) within the bottom 1 and 1/2 inch of the voucher do not write in the area around the scanline.

A check that is not paid by the financial institution on which it is drawn does not constitute payment. The trust or estate will be assessed a minimum penalty of \$20 in addition to other applicable penalties and interest for late payment.

INTEREST AND PENALTY

Interest. Interest accrues on income tax that is not paid on or before the due date of your return. **Interest is a charge for the use of money and by law cannot be waived.** Prior to January 1, 2008, interest was calculated at the statutory rate of 15% per year, computed on a daily basis. Beginning January 1, 2008, interest is computed on a daily basis at the rate established for individual income tax purposes by the U.S. Internal Revenue Code (IRC).

The IRC rate changes quarterly. The IRC rate for each quarter is announced by the Internal Revenue Service in the last month of the previous quarter. The annual rate for each quarter of the previous two years was 3%. The annual and daily interest rates for each quarter will be posted on our website at www.tax.newmexico.gov. Search for "effective interest rates" on our web page.

Important: Once your principal tax liability is paid, penalty and interest stops accruing.

Interest accrues even if there is an extension of time to file the return.

The formula for calculating interest is:

Tax due x the daily interest rate for
the quarter x number of days
late = interest due.

Penalty. If the tax is not paid when due because of negligence or disregard of rules or regulations but without intent to defraud, the fiduciary is liable for a penalty of 2% per month or partial month from the date the return was required to be filed. The penalty cannot exceed 20% of the amount of tax. The penalty does not apply if an extension of time has been approved and if the tax is paid by the extended due date.

NET OPERATING LOSSES

Unlike a federal net operating loss carryforward, a New Mexico net operating loss incurred in tax years after 1990 **cannot be carried back** and may only be carried forward for 19 years or until the total amount of the loss carryover has been used, whichever occurs first. For a net operating loss that was incurred in tax years beginning after 1990 but before January 1, 2013, a New Mexico net operating loss may be carried forward for only five years.

You cannot apply a New Mexico net operating loss carryforward until the following tax year -- provided you have filed a timely return -- or until the first tax year that begins after the date you file a return establishing the loss.

Use New Mexico Form RPD-41375, *Net Operating Loss Schedule For Fiduciary Income Tax*, to compute your New Mexico net operating loss and carryforward. Attach Form RPD-41375 to your return showing the tax year when each New Mexico net operating loss occurred. The schedule also shows how the loss for each tax year for which it was carried forward, was used.

CHANGES IN FEDERAL OR NEW MEXICO TAXABLE INCOME DUE TO AN IRS AUDIT OR AN AMENDED RETURN

If the IRS changes the trust's or estate's taxable income for any tax year, an amended New Mexico Fiduciary Income Tax Return and a copy of the Revenue Agent's Report must be filed with the New Mexico Taxation and Revenue Department within 180

days of the date the federal adjustment becomes final.

If the fiduciary files an amended New Mexico return because of an amended federal return, the fiduciary must attach a copy of the federal amended return. If an amended return is filed because of a change in New Mexico taxable income, a statement giving the reason for amending the return must be attached.

To file an amended New Mexico Fiduciary Income Tax Return, use the form for the year being amended. Mark the **Amended** box, at the top of the form. Payment for any additional amount of tax due should be attached.

YOUR RIGHTS UNDER THE TAX LAW

The Tax Administration Act governs how the Income Tax Act is administered by TRD and gives you specific rights and responsibilities. Enacted in 2003, the Taxpayer Bill of Rights adds provisions to the Tax Administration Act on confidentiality, hearings, recovery of costs by a taxpayer who prevails in litigation against the Department, timeliness of the Department's audit completion and approval of credits, and administrative hearings. The Bill of Rights also requires that all taxpayers receive a copy of their rights in each fiduciary income tax packet. See page 29.

The best ways to avoid tax problems are to keep accurate tax records and to keep abreast of changes in the tax law. These instructions and other Department publications contain information that can help you do both.

While most tax problems can be resolved informally, it is important to understand that certain rights provided to you under law must be exercised within specific time frames. If an adjustment is made to your return, a notice will be sent to you explaining the adjustment with a description of procedures you may use if you disagree with the Department's adjustment.

At any time after filing your return, the return may be subject to further review, verification or correction. If your tax

return is adjusted or an assessment of additional tax is issued, you will receive a copy of Publication FYI-406, *Your Rights Under the Tax Laws*, describing in detail how to dispute a Department action through either the claim for refund procedure or the protest procedure. Read these procedures carefully to ensure you take the necessary steps to protect your rights.

Publication FYI-406 is available on the Department's Internet home page at www.tax.newmexico.gov. Click on "Forms and Publications" and follow the links to FYI publications. You may also obtain a copy by contacting any of our offices.

FID-1, FIDUCIARY INCOME TAX RETURN, PAGE 1 LINE INSTRUCTIONS

- **Type or print the name of the estate or trust, the name and title of the fiduciary and the address of the fiduciary in the spaces provided.**
- **Enter the federal employer identification number of the estate or trust. Returns will not be processed without this number.**
- **Mark the appropriate reporting period - calendar year or fiscal year. If the return is based on a fiscal year, enter the beginning and ending dates.**
- **Mark the appropriate boxes for the type of return.**
- **Mark the box to indicate if the entity is a New Mexico resident trust or estate.**
- **Complete lines B through D.**
- **Round all dollar amounts to the nearest whole dollar.**
- **Computerized schedules will not be accepted in lieu of completing the appropriate line items on FID-1, page 2, FID-B, Schedule 1 and 2, FID-CR, or FID-D.**

Line E. Mark this box only if you have elected to use an alternative method of computing estimated tax due. If you do not elect to use an alternative method, do not mark this box and the

Department will compute your liability, if any, using the standard method. See the instructions for the FID-ES payment voucher on page 27 of these instructions for more information on the alternative methods.

To elect to use an *alternative method* of calculating estimated tax, you must enter 1, 2, 3, 4 or 5 in the checkbox to indicate the method used and attach Form RPD-41272, *Calculation of Estimated Personal Income Tax Underpayment Penalty*, to your FID-1 return. Enter 1 if you wish to compute estimated payments based on the actual dates on which all amounts of withholding tax were withheld for the applicable tax year. If you have annualized income and are required to file estimated payments beginning with the 2nd, 3rd or 4th quarter estimated installment due date, enter 2, 3 or 4, respectively. If you qualify for special rules because you have farm or ranch income, enter 5.

Line 1. Federal taxable income of fiduciary. Enter the federal taxable income of the estate or trust from federal Form 1041. For electing small business trusts (ESBT), federal taxable income also must include the federal taxable income used to compute the tax on the S portion of an ESBT, included on the federal Form 1041, Schedule G. Enter the federal taxable income on the S portion of an electing small business trust (ESBT) in the space provided to the right of line 1, preceded by "Sec. 641(c) federal taxable income". Include the amount in the federal taxable income of the fiduciary reported on line 1. Attach the ESBT calculation schedule from your federal Form 1041.

The S portion of an ESBT is the portion of the trust that consists of stock in one or more S corporations and is not treated as a grantor trust. For federal tax purposes, the tax on the S portion is figured separately from the tax on the remainder of the ESBT. For New Mexico state tax purposes, the tax on the S portion income is calculated in the same manner as all other federal taxable income of the fiduciary.

If the trust is a grantor trust not required to file a federal fiduciary return but files a New Mexico FID-1 because it distributed taxable New Mexico net income in excess of \$20,000 in the current tax year, the grantor trust completes the top section of the FID-1 return, enters zero in line 1, and records tax withheld information on lines 14 through 18. The remainder of the form is left blank. Be sure to attach annual withholding statements, 1099-Misc, Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*, or Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*.

Line 1a. Federal net operating loss incurred. If the taxable income on your federal Form 1041 is zero or less, enter any federal net operating loss incurred for the tax year. See the instructions for the federal return to determine the amount of the federal net operating loss incurred.

Line 2. Additions to federal income. Enter additions to federal taxable income from FID-1, page 2, line 3 (federal net operating loss and non-New Mexico municipal bond interest).

Line 3. Deductions from federal income. Enter deductions from federal

taxable income from FID-1, page 2, line 7 (New Mexico net operating loss, interest income from U.S. government obligations, and net capital gain deduction).

Line 5. Tax. Using the tax rate table on page 6 of these instructions, calculate and enter the tax on the income reported on line 4. Enter the tax computed on line 5.

Line 6. New Mexico percentage. An estate or trust which has income from both within and outside New Mexico should complete and file FID-B, Schedules 1 and 2. Enter the New Mexico percentage from line 16 of the FID-B Schedule 1.

Line 7. New Mexico income tax. Multiply line 5 by the percentage on line 6. If FID-B is not required, enter the amount from line 5.

Line 8. Tax on lump-sum distributions. If the estate or trust is a resident New Mexico estate or trust which received a lump-sum distribution and used the federal special 10-year averaging tax option on federal Form 4972, it must complete the worksheet at the top of page 7 to compute the New Mexico averaged additional tax.

Line 10. Credit for taxes paid to another state(s). A resident, New Mexico trust or estate who must pay tax to another state on income that is also taxable in New Mexico may take a credit against New Mexico tax for tax paid to the other state.

The credit is for tax that another state imposes on any portion of income that by law is included in New Mexico net income. Do not include tax withheld

2014 TAX RATE TABLE				
To be used for determining the amount of tax to be entered on FID-1, page 1, line 5				
If the amount on line 4 is...				
over	but not over	tax shall be	plus	of excess over
\$ 0	\$ 5,500	\$ 0	1.7%	\$ 0
\$ 5,500	\$ 11,000	\$ 93.50	3.2%	\$ 5,500
\$ 11,000	\$ 16,000	\$ 269.50	4.7%	\$ 11,000
\$ 16,000	-----	\$ 504.50	4.9%	\$ 16,000

WORKSHEET FOR COMPUTING TAX ON LUMP-SUM DISTRIBUTIONS

1. New Mexico taxable income from line 4 of the FID-1 return.	1.	
2. Amount of lump-sum income reported for purposes of 10-year tax option or capital gains election on federal Form 4972.	2.	
3. Multiply line 2 by 0.20 and enter the total	3.	
4. Add lines 1 and 3.....	4.	
5. Enter the tax from the tax rate tables for the amount on line 4 of this worksheet.	5.	
6. Enter the tax from the tax rate tables for the amount on line 1 of this worksheet.....	6.	
7. Subtract line 6 from line 5 and enter the difference	7.	
8. Multiply the amount on line 7 by 5. (This is the additional averaged tax due on the lump-sum income.)	8.	
9. If a New Mexico percentage is computed on line 16, Schedule FID-B, multiply that percentage by the amount on line 8 of this worksheet and enter here. If line 16, FID-B is zero or no New Mexico percentage is computed, enter the amount from line 8 on this worksheet. Also enter this amount on line 8, FID-1 return.	9.	

Attach federal Form 4972 to the FID-1 return.

when calculating the allowable credit. If the specific item of income is not subject to taxation in both states, no credit is available.

The credit may not be more than:

- The New Mexico tax liability due on the return,
- The tax paid to the other state, and
- The amount of New Mexico income tax liability computed on that portion of income that is taxed in both states.

Complete the worksheet on page 8 and attach a copy of the worksheet(s) and complete income tax return(s) from the other state(s) to the FID-1 return.

"State" includes the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and states and provinces of foreign countries. Do not include in the

calculation of the credit those income taxes paid to any municipality, county or other political subdivision of a state or to any central government of a foreign country. "State" does not include central governments.

Line 11. Total tax credits applied against the income tax liability on line 9. If you may claim any of the tax credits listed next, complete Schedule FID-CR and attach the applicable form(s), statements or other required back-up. Enter the sum of the credits claimed and applied against tax due from Schedule FID-CR, line A. The supporting documentation required to claim any of the tax credits is described in the section "Schedule FID-CR Line Instructions" beginning on page 16 of these instructions. The required documentation must accompany the return, or the claim for the credit will not be allowed.

To calculate the amount that may be claimed for any tax year, refer to the claim form or supporting instructions for the tax credit. The sum of credits claimed on Schedule FID-CR may not exceed the income tax claimed on FID-1, line 9 less the amount in line 10.

A trust or estate with income subject to New Mexico income tax may be eligible for the following income tax credits:

- Preservation of Cultural Property Credit,
- Business Facility Rehabilitation Credit,
- Rural Job Tax Credit,
- Technology Jobs (Additional) Tax Credit,
- Electronic Card-Reading Equipment Tax Credit,

Worksheet for Computation of Allowable Credit for Taxes Paid to Other States by New Mexico Residents

NOTE: Complete a separate worksheet for each state that imposed tax on income also taxed in New Mexico.

	<u>Column 1</u> From the New Mexico return	<u>Column 2</u> From the other state's return
Name of other state _____		
1. Enter amount of tax due to the state on the return.....	1. _____	1. _____
2. Enter taxable income on which you calculated the tax on line 1. If applicable, enter the state's taxable income after applying the state's allocation and apportionment percentage. For New Mexico, this is from FID-1, line 4 (New Mexico Taxable Income) multiplied by the New Mexico percentage, if any, on FID-1, line 6.....	2. _____	2. _____
3. DIVIDE line 1 by line 2. This is the average effective tax rate on the state's income. Calculate to four decimal places (e.g., 0.0463).....	3. _____	3. _____
4. From each state's return, enter the portion of income subject to tax in both states, but not more than the amount on line 2.....	4. _____	4. _____
5. MULTIPLY line 3 by line 4.....	5. _____	5. _____
6. Enter the lesser of line 5, column 1 and line 5, column 2, but not more than the amount in Column 1, line 1. This is the credit allowed for tax paid to the other state.....	6. _____	

Enter the amount from line 6 of this worksheet on the 2014 FID-1 return, line 10. If you claim a credit for tax paid to multiple states, sum the amounts on line 6 from the worksheets you completed for each state, and enter the amount on the 2014 FID-1 return, line 10.

Please attach this worksheet(s) to your 2014 FID-1 return if you are claiming credit for taxes paid to another state on page 1, line 10 of the FID-1 return.

- Job Mentorship Tax Credit,
- Land Conservation Incentives Credit,
- Affordable Housing Tax Credit,
- Solar Market Development Tax Credit,
- Blended Biodiesel Fuel Tax Credit,
- Sustainable Building Tax Credit,
- Angel Investment Credit,
- Rural Health Care Practitioners Tax Credit,
- Agricultural Water Conservation Tax Credit,
- Advanced Energy Tax Credit,
- Geothermal Ground-Coupled Heat Pump Tax Credit,
- Agricultural Biomass Income Tax Credit,
- Film Production Tax Credit,
- Renewable Energy Production Tax Credit,
- Cancer Clinical Trial Tax Credit, and
- Veterans Employment Tax Credit

You may also claim on this form any portion of approved Film Production Tax Credit or Renewable Energy Production Tax Credit that may be refunded. Any refundable portion of the renewable energy production tax credit or the film production tax credit is reported on line 24 of the FID-1 return.

For more information on business-related credits, see Publication FYI-106, *Claiming Tax Credits for CRS Taxes & Business-Related Income*. Publications and forms may be downloaded from the TRD website at www.tax.newmexico.gov. For assistance call (505) 827-0825 in Santa Fe or toll free (866) 809-2335, select option 4; send us an e-mail at cit.taxreturnhelp@state.nm.us; or visit your local district office.

Line 12. Net New Mexico income tax. Add lines 10 and 11, then subtract the total from line 9. Net New Mexico income tax cannot be less than zero.

Line 13. Payments. Enter the total amount of 2014 estimated tax payments and other payments made for

2014. These payments are submitted to the Department with a FID-ES, FID-EXT, or FID-PV payment voucher. The payments may also be made electronically through the Department's website.

Line 14. New Mexico income tax withheld not included on lines 15 and 16. Excluding the tax withheld from oil and gas proceeds or pass-through entity income reported on line 15 or 16, enter the total of all other New Mexico income tax withheld as shown on your annual withholding statements Form(s) W-2, 1099, 1099-Misc. Include a copy of the forms with your FID-1 return.

Line 15. New Mexico income tax withheld from oil and gas proceeds. Enter the total of all New Mexico income tax withheld from oil and gas proceeds received as shown on your annual withholding statements, 1099-Misc, or Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*. Be sure to include a copy of the forms with your FID-1 return.

An entity, including a grantor trust, that has had tax withheld cannot pass a withholding statement directly to any other taxpayer. Generally, the beneficiary must file and report the tax withheld on its New Mexico income tax return. However, if the beneficiary is also a remitter, the tax withheld on the oil and gas proceeds may be passed to the remitees by issuing the remitees an annual withholding statement, Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*, or a *pro forma* 1099-Misc. The remitees may then claim the withholding on their income tax return.

Line 16. New Mexico income tax withheld from a pass-through entity. Enter the total of all New Mexico income tax withheld on pass-through entity allocable net income as shown on Forms 1099-Misc or Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*. Be sure to include a copy of the forms with your FID-1 return.

An entity, including grantor trusts, that has had tax withheld cannot pass a withholding statement directly to its

owners, members, partners or beneficiaries (owners). Generally, the beneficiary must file and report the tax withheld on its New Mexico income tax return. However, if the beneficiary is also a pass-through entity, the tax withheld may be passed to the owner of the beneficiary by issuing the owner an annual withholding statement, Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding* or a *pro forma* 1099-Misc. The owner may then claim the withholding on their income tax return.

Line 17. Amount from lines 15 and 16 passed to beneficiaries on Forms 1099-Misc or RPD-41359. Enter the amount of tax withheld from lines 15 and 16, which was subsequently passed on to the beneficiaries of the trust or estate. The fiduciary reports withholding that is passed to beneficiaries by issuing them Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*, Form 1099-Misc or a *pro-forma* Form 1099-Misc. The beneficiaries may then take credit for the withholding on their corporate or personal income tax return.

When an estate or trust that is a PTE passes tax withheld to its beneficiaries, the income tax withheld is also reported on Schedule FID-D, *Annual Withholding of Net Income From a Fiduciary Detail Report*.

Line 18. Total payments and tax withheld. Subtract line 17 from the sum of lines 13 through 16.

Line 19. Tax Due. If line 12 is more than line 18, enter the tax due.

Line 20. Penalty. Add penalty if you file late and owe tax, or you do not pay the tax on or before the date the return is due. Calculate penalty by multiplying the unpaid amount on line 19 by 2% then by the number of months or partial months for which the payment is late, not to exceed 20% of the tax due. You may leave this line blank if you wish the Department to compute the penalty for you. The Department will send you a bill for any penalty due.

Line 21. Interest. Add interest if the amount of tax due on line 19 was not

paid by the original due date, even if an extension of time to file was obtained. You may leave this line blank if you wish the Department to compute the interest for you. The Department will send you a bill for any interest due.

Calculate interest at the daily interest rate for the quarter of the unpaid amount for each day the payment is late. The formula for calculating daily interest is:

Tax due x the daily interest rate for the quarter x number of days late = interest due.

Beginning January 1, 2008, interest is computed on a daily basis at the rate established for individual income tax purposes by the U.S. Internal Revenue Code (IRC).

The IRC rate changes quarterly. The IRC rate for each quarter is announced by the Internal Revenue Service in the last month of the previous quarter. The annual and daily interest rate for each quarter will be posted on our website at www.tax.newmexico.gov. Search for "effective interest rates".

Important: Once your principal tax liability is paid, interest and penalty stops accruing.

Lines 23 through 23b. Overpayment

If line 18 is more than line 12, you have an overpayment. Enter the difference on line 23. Your overpayment can be:

- Applied to your 2015 tax liability (enter on line 23a), or
- Refunded to you (enter on line 23b), or
- A combination of these.

Line 24. Refundable part of film production and renewable energy production tax credits claimed.

Enter the amount of approved refundable renewable energy production tax credit claimed on Form RPD-41227, *Renewable Energy Production Tax Credit Claim Form*, that you wish to have refunded to you. Any portion of the credit to be applied to the tax due on this return must be entered on Schedule FID-CR. See also "*Line Instructions for Completing Schedule FID-CR*" beginning on page 16 of these

instructions.

Line 25. Total refund of overpaid tax and refundable credit due to you.

Enter the sum of lines 23b and 24. This is your total refund of overpaid tax and refundable credit due to you.

FID-1, FIDUCIARY INCOME TAX RETURN, PAGE 2 LINE INSTRUCTIONS

ADDITIONS TO FEDERAL INCOME FOR FIDUCIARY (NON-DISTRIBUTED SHARES):

Line 1. Federal net operating loss carryover. Enter that portion of the federal net operating loss deduction claimed on the federal return which has not been distributed to beneficiaries.

Line 2. Non-New Mexico municipal bond interest. You may exclude only federally tax-exempt interest or dividend income from municipal obligations from the State of New Mexico, its agencies, institutions, instrumentalities or political subdivisions, or income from the obligations of the Commonwealth of Puerto Rico, Guam, Virgin Islands, American Samoa or Northern Mariana Islands. Enter that portion of municipal bond income from sources other than those listed above which has not been distributed to beneficiaries.

DEDUCTIONS FROM FEDERAL INCOME FOR FIDUCIARY (NON-DISTRIBUTED SHARES):

Line 4. New Mexico net operating loss. Enter the New Mexico net operating loss (NOL) carryover that may be applied to the liability on your FID-1 return. Attach Form RPD-41375, *Net Operating Loss Schedule For Fiduciary Income Tax*, to your return showing the tax year when each New Mexico net operating loss occurred. Form RPD-41375 should also list each loss for each tax year for which it was carried forward, including 2014.

Unlike a federal net operating loss deduction, a New Mexico net operating loss incurred in tax years after January 1, 2013, **cannot be carried back** and may be carried forward for 19 years or until the total amount of the loss carryover has been used, whichever occurs

first. A New Mexico net operating loss incurred in tax years after 1990, but before January 1, 2014, also cannot be carried back and may only be carried forward for five years or until the total amount of the loss carryover has been used, whichever occurs first.

You cannot apply a New Mexico net operating loss carryforward until the following tax year -- provided you have filed a timely return -- or until the first tax year that begins after the date you file a return establishing the loss.

To compute the carryforward amount from a New Mexico net operating loss recognized in a previous year, add together the federal net operating loss as defined by Section 172(c) of the Internal Revenue Service for the tax year of the loss and any interest received on U.S. Government obligations less related expenses and reported on the New Mexico tax return for the tax year of the loss. Subtract out any loss used in prior tax years.

Use New Mexico Form RPD-41375, *Net Operating Loss Schedule For Fiduciary Income Tax*, to compute your New Mexico net operating loss and carryforward. Attach Form RPD-41375 to your return showing the tax year when each New Mexico net operating loss occurred. The schedule also shows how the loss for each tax year for which it was carried forward, was used.

Line 5. Interest income from U.S. government obligations. Interest on obligations of the United States may be deducted only if the interest was included in federal taxable income reported on FID-1, page 1, line 1.

Line 6. Net Capital Gain Deduction. You may deduct all or a portion of your net capital gains deduction reported and claimed on your federal tax return.

You may deduct the **greater of:**

- 100% of your net capital gains deduction, not to exceed \$1,000; **or**
- 50% of your net capital gains deduction

Line 8. Total Distributions of Income

to Beneficiaries. Enter the total distributions of taxable New Mexico net income to beneficiaries or other beneficiaries for the tax year of this return. The amount of total distributions of taxable New Mexico net income to beneficiaries must match the total New Mexico net income, reported on line 1 of Form RPD-41367, *Annual Withholding of Net Income From a Pass-Through Entity Detail Report*. On line 1 of Form RPD-41367, you must enter the New Mexico net income that was distributed to the beneficiaries, not the net income of the trust or estate. If the income distributed is not taxable to the beneficiary, as in the case of some grantor trusts, including living trusts, the distributed income is not included on Form RPD-41367.

See also "Withholding for Non-Resident Beneficiaries of a Pass-Through Entity" on page 2 of these instructions.

Do not complete or attach Schedule FID-B if the estate or trust does not have income from activities both within and outside New Mexico. However, if you file FID-B, continue with the instructions on page 12.

Refund Express

If you request an amount to be refunded to you on line 25, you may wish to have your tax refund deposited directly into your bank account through Refund Express. To choose Refund Express, complete the "Refund Express" portion on page 2 of the FID-1 return. All fields are required. Complete the bank routing number and the account number. You **must** indicate the type of account and you must answer "No"

to question 4. Failure to complete all fields correctly will cause your Refund Express request to be denied, and the Department will mail you a paper check. The Department will mail you a paper check if your bank does not accept your Refund Express information.

NOTE: See the instructions for the film production tax credit claim form for information regarding choosing refund express for the refundable portion of the film production tax credit on line 24.

Refund Express is available for deposits to the taxpayer's account *only*. **Taxpayers may not request the funds to be deposited into the account of another payee.** TRD is not responsible for the misapplication of a direct deposit refund that is caused by the error, negligence or malfeasance on the part of the taxpayer.

Important Changes Affecting Refund Express - Direct Deposit

A direct deposit of your refund, "Refund Express", may not be made to a bank account located at a financial institution outside the territorial jurisdiction of the United States. In order to comply with new federal banking rules, anyone wishing to have their refund directly deposited into their account must answer an additional question when completing the Refund Express portion of their return. If you do not answer the question, your refund will be mailed to you in the form of a paper check. If you answer the 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). The question will ask whether the refund

will go to or through an account located outside the United States. The question also warns you that if the answer is "yes", you should not choose the Refund Express method of delivering your refund. Your options are to use a different bank account or to leave the Refund Express portion of your return 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;
- on a United States military base; or
- in American Samoa, Guam, the Northern Mariana Islands, Puerto Rico or the U.S. Virgin Islands.

REMINDER: The Department will mail you a paper check if your bank does not accept your Refund Express information.

Why Use Refund Express?

- Avoid delays that may occur in mailing a check. Refund Express does not guarantee that you will receive your refund check earlier, however — only that when the check is issued, it will reach the bank more quickly.
- Payment is more secure. There is no check to get lost.
- More convenient. No trip to the bank to deposit your check.
- Saves tax dollars. A refund by direct deposit costs less than a check.

What is the Routing Number?

The routing number is for bank identification and **must be nine digits**. If the first two digits are not 01 through 12 or 21 through 32, the system will reject the direct deposit and you will receive a check. On the sample check on this page, the routing number is 211500151.

Your check may state that it is payable through a bank different from the financial institution where you have your checking account. If so, do not use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on this line.

The image shows a sample check form with the following details:

- NAME OF ESTATE OR TRUST:** 123 Main Street, Anyplace, NM 87000
- 1540** (top right)
- 15-00000000** (top right)
- PAY TO THE ORDER OF:** (blank)
- \$** (amount box)
- DOLLARS** (text)
- ANYPLACE BANK, Anyplace, NM 87000** (bank name)
- Routing Number:** 211500151
- Account Number:** 2015551517
- For:** A 211500151 A 2015551517 C 1540
- Do not include the check number** (note)
- SAMPLE** (diagonal watermark)

Entering Your Account Number

Your account number can be up to 17 characters. Include hyphens, but omit spaces and special symbols. Enter the number from left to right. Leave unused boxes blank. On the sample check on the previous page, the account number is 2015551517. **Do not** include the check number.

You **must** indicate whether the account is a checking or a savings account by entering an "X" in the appropriate box.

Caution: Verify that the information you enter is correct and that your financial institution will accept a direct deposit made payable to the name on the FID-1 return. **NOTE:** TRD is not responsible if a financial institution refuses a direct deposit.

SIGNATURE. The return must be signed and dated by a fiduciary or officer representing the fiduciary. Complete all information, including a phone number and e-mail address.

Any person, other than an employee of the fiduciary, preparing the return for compensation must also sign and date the return. A preparer other than an employee of the entity must enter the paid preparer's identifying information in the section, "*Paid preparer's use only*", next to the taxpayer's signature. Enter the preparer's New Mexico CRS identification number, if the preparer has one, and the Federal Employer Identification Number (FEIN), if applicable. All paid preparers must enter their Preparer's Taxpayer Identification Number (PTIN).

An improperly signed or unsigned return will be considered invalid for filing purposes, and penalty and interest may be assessed.

GENERAL INSTRUCTIONS FOR FID-B, COMPUTATION OF NEW MEXICO PERCENTAGE AND BUSINESS INCOME APPORTIONMENT FORMULA

FID-B should be used by fiduciaries who are filing returns for trusts or estates having income from activities

both within and outside New Mexico.

For purposes of these instructions, an **estate** is **DOMICILED IN NEW MEXICO** if the decedent was domiciled in New Mexico. A **trust** is **DOMICILED IN NEW MEXICO** if the trustee is domiciled in New Mexico or if the principal place from which the trust is managed or administered is in New Mexico.

FID-B, SCHEDULE 1 GENERAL INSTRUCTIONS FOR COLUMNS 1-4, LINES 1-7

Column 1, Gross: Amounts entered in this column are the same as those from federal Form 1041, except for line 2 and line 6, which include amounts reported on lines 2 and 3 of FID-1.

Column 2, Less Related Expenses/Distributions: Amounts entered in this column include deductions and exclusions from federal Form 1041 that apply to the specific types of income reported in column 1 on lines 1-7. Subtract these deductions from the type of income (lines 1-7) to which they apply. Related expenses in column 2 must include distributions to beneficiaries. If the deduction cannot be applied to a specific type of income, enter it on line 11, "Other deductions".

EXAMPLES:

- Taxes on rental property are deducted from rents and royalties, line 4.
- State income taxes, fiduciary fees, attorney fees and accountant fees are included as other deductions, line 11.
- Charitable deductions arising from a specific type of income such as capital gains are subtracted from profit or loss from the sale or exchange of assets, line 5. If it is a charitable deduction arising from general income, it is subtracted on line 11.
- Income distribution deductions should be subtracted from either dividends, interest or profit or loss from the sale or exchange of assets (capital gains) according to the allocations on federal Form 1041, Schedule K-1. Other taxable income distributions on Schedule K-1 are included in the deductions on line

11. Amounts for depreciation and depletion from Schedule K-1 are subtracted from the type of income to which they apply, lines 3-7.

- Dividend and interest exclusions are subtracted from gross dividends, line 1, and gross interest, line 2.

Column 3, Net: The net amounts in this column equal column 1 less column 2.

Column 4, Allocation to New Mexico: Use this column to allocate net income to New Mexico according to the following line instructions.

FORM FID-B, SCHEDULE 1 LINE INSTRUCTIONS

NOTE: If you have a net operating loss or net operating loss carryforward, attach a separate statement identifying the name and operating location of the business or property creating the loss, and a complete copy of your federal tax return.

Lines 1 and 2. Dividends and Interest. Dividend and interest income is allocated in column 4 to New Mexico if the estate or trust is domiciled in New Mexico.

Line 3. Income From Other Fiduciaries, S Corporations, Partnerships and Limited Liability Entities: An estate or trust receiving income from another estate, trust, or other pass-through entity that allocated and apportioned its New Mexico income must obtain copies of all allocation and apportionment schedules. The income from these sources must be allocated and apportioned in the same way each estate, trust, or other pass-through entity allocated and apportioned its income. Enter the amount of income allocated or apportioned in column 4.

Example: X, a New Mexico trust, reports \$4,000 of net income as its distributed share from a partnership. Since the partnership allocated and apportioned 50% of its taxable income to New Mexico, the fiduciary will allocate 50% of the \$4,000 amount, or \$2,000, to New Mexico in column 4.

Line 4. Rents and Royalties. Allocate to New Mexico in column 4 the following

rent and royalty income:

- from real property in New Mexico,
- from tangible personal property located or used in New Mexico, or
- from intangibles used in New Mexico.

Trusts or estates that are domiciled in New Mexico and receive income from real property, tangible personal property or intangibles located or used in New Mexico (including rents and royalties from oil and gas interests) must allocate that income to New Mexico in column 4. Intangibles are copyrights, patents, franchises, trademarks and licenses.

In addition to the above, trusts or estates domiciled in New Mexico must allocate income from intangible and tangible personal property used in another state if the trust or estate is not subject to tax in the other state.

A patent is used in New Mexico to the extent it is employed in production, fabrication, manufacturing or other processing in New Mexico or when a patented product is produced in New Mexico.

A copyright is used in New Mexico when the printing or other production is accomplished in New Mexico.

If the fiduciary's records do not reflect the extent to which tangible personal property is used within New Mexico, use the following calculation:

Compute the percentage of time the property was located in New Mexico during the tax year by dividing the number of days the property was physically located in New Mexico during the rental or royalty period by the total number of days the property was physically located everywhere during the rental or royalty period.

Multiply the net rents or royalties received for the taxable year by the percentage calculated above. The result is the amount of rental or royalty income allocable to New Mexico.

If the physical location of the tangible personal property during the rental or royalty period is unknown or unascertained,

enter the amount of rental or royalty income from property delivered to a lessee in New Mexico.

Line 5. Profit or Loss From the Sale or Exchange of Assets. Allocate to New Mexico in column 4 profits or losses from the sale or exchange of:

- Real property in New Mexico,
- Tangible personal property located in New Mexico at the time it was sold,
- Tangible personal property if the estate or trust is domiciled in New Mexico and the gain was not taxable in the state where the tangible personal property was located,
- Intangible personal property if the estate or trust is domiciled in New Mexico.

Line 6. Net Business and Farm Income. An estate or trust reporting business and farm income earned solely within New Mexico enters in column 4 the entire amount of net income from column 3. If the business and farm income is from activities within and outside New Mexico, **complete lines 1-5 on FID-B, Schedule 2 to determine the percentage of income apportionable to New Mexico.**

Calculate the business and farm income apportioned to New Mexico by multiplying the amount of net business and farm income in column 3, line 6, by the average percent from line 5 of FID-B, Schedule 2.

Separate Accounting Method for Business Income. The separate accounting method may **not** be used by any business. Businesses beginning before January 1, 1991 who elected the separate accounting method were required to elect another method for taxable years beginning on or after January 1, 1995.

Line 7 - Other Income. All income from sources other than those already described is allocated to New Mexico in column 4 if the estate or trust is domiciled in New Mexico. Attach a schedule of other income.

If the estate or trust is not domiciled in New Mexico, other income is allocated

to New Mexico when it is from transacting business in, into or from New Mexico or when income is received from property in New Mexico or as compensation for services in New Mexico.

Line 8a. Calculate Allocation Percentage for Deduction. Divide line 8 column 4 by line 8 column 3. To complete column 4 for lines 9-11, multiply the amounts in column 3, lines 9, 10 and 11 by the resulting fraction to determine the portion of each deduction applicable to New Mexico income.

Line 9. Deduction for Exemption. Enter on line 9, column 3 the exemption amount from federal Form 1041. To complete column 4, multiply line 8a by line 9, column 3.

Line 10. Deduction for Distributions. Enter on line 10, column 3 any deductions for distributions which were not entered on lines 1 through 7 above. To complete column 4, multiply line 8a by line 10, column 3.

Line 11. - Other Deductions. Enter on line 11, column 3 any deductions claimed on the federal Form 1041 which were not entered in column 2 of lines 1 through 7 above. (Refer to the Schedule FID-B general instructions on page 12, for column 2 instructions.) Attach a schedule of other deductions. To complete column 4, multiply line 8a by line 11, column 3.

Line 13. Taxable Income of the Estate or Trust. Subtract line 12 from line 8 to arrive at the estate's or trust's taxable income. The amount in column 3 should equal the sum of the taxable income of the fiduciary reported on federal Form 1041 plus the additions to federal income for fiduciary, from FID-1, page 2, line 3.

Line 14. Income From Lump Sum Distributions. Enter in column 1, the ordinary income reported on federal Form 4972, *Tax on Lump Sum Distributions*. Enter in column 2, from federal Form 4972, the federal taxable portion of any lump sum distribution you earned the right to receive while a New Mexico resident.

Line 16. New Mexico Percentage. Di-

vide line 15, column 4 by line 15, column 3. This is the New Mexico percentage of net income. Enter here and on line 6 of the FID-1 return. The percentage cannot be less than zero. If you are allocating or apportioning losses out of New Mexico, the percentage may not exceed 100%.

FID-B, SCHEDULE 2 LINE INSTRUCTIONS

Who Must Complete This Worksheet

If you have business or farm income on line 6, column 3 from both inside and outside New Mexico, complete the worksheet on FID-B, page 2. When you submit your return, attach both the FID-B pages 1 and 2.

Generally, the amount of business and farm income apportioned to New Mexico is determined by multiplying the net amount shown on line 6, column 3 of FID-B Schedule 1, by the following fraction if all factors are present:

Divide the property factor + payroll factor + sales factor

By 3*

Calculate each percentage to two decimal places (example: 22.46%).

Three-Factor Apportionment Formula

New Mexico uses an evenly weighted three-factor apportionment formula. The three factors are property, payroll, and sales. The three-factor formula is for all taxpayers except taxpayers who are:

- Qualifying manufacturers who elect to use the special manufacturers apportionment formula, **or**
- Allowed or required to eliminate one or more factors because the three-factor formula does not fairly represent the extent of their business activity in New Mexico.

Each exclusion is described next as Exclusion 1 and Exclusion 2.

Exclusion 1 Electing Manufacturers Apportionment Formula

Taxpayers whose principal activity is manufacturing may elect to use a

special apportionment formula. For tax years beginning on or after January 1, 2014, the election allows taxpayers to apportion the business income to New Mexico using an alternative method which, over a five-year period, phases in a single weighted sales factor.

See the chart on the next page for the apportionment formulas to use over the five-year period.

The electing manufacturer must use the special factor method for a total of three consecutive tax years, covering at least 36 calendar months, or until the manufacturer notifies the Department in writing that the election is terminated.

The statutory authority for this elective method is in Section 7-4-10(B) NMSA 1978.

Definition of Manufacturing

For purposes of using the manufacturers apportionment formula, “manufacturing” is defined as combining or processing components or materials to increase their value for sale in the ordinary course of business. Manufacturing does not include construction, farming, processing natural resources, or most power generation.

How to Make the Election

To elect to use the manufacturers apportionment formula, you must notify the Department in writing no later than the filing date of the first return to which your election applies.

Submit your notification to make your election or to terminate your election to Taxation and Revenue Department, P.O. Box 8485, Albuquerque, NM 87198-8485. For assistance call (505) 841-6249.

On FID-B, line 5, use the formula in the chart that corresponds to the tax year of your return to calculate the apportionment percentage.

Adjustment to New Mexico Sales for Manufacturers Electing to Use the Manufacturers Apportionment Formula

If you elect to apportion business income based on the special manufac-

turers apportionment formula, adjust your sales factor as described below, regardless of whether you are subject to tax in the state of the purchaser.

Include in the numerator of the sales factor, the sales of tangible personal property shipped from **any** of the following locations in New Mexico:

- An office
- A store
- A warehouse
- A factory
- Any other place of storage

Exclusion 2

Eliminating one or more factors. If the allocation and apportionment provisions of the Uniform Division of Income for Tax Purposes Act do not fairly represent the extent of your business activity in New Mexico, you may without prior approval, or the Department may require if reasonable, the exclusion of any one or more insignificant factors—property, payroll, or sales.

A factor is insignificant if Column 1 (the denominator) is between 0% and 3% of net income. On line 5, use the number of significant factors to calculate the average. If you include an insignificant factor, attach an explanation.

PROPERTY FACTOR

This factor is a percentage determined as follows:

Divide the average value of the real and tangible personal property owned or rented and used in New Mexico for the production of business or farm income during the tax period

By the average value of all real and tangible personal property owned or rented everywhere and used everywhere for the production of business or farm income during the tax period.

Property shall be valued according to the following rules:

- Property owned during the tax period is valued at its original cost.
- Property rented from others and used for business or farm purposes is valued at eight (8) times the net annual rental rate. The net annual

rate is the annual rent paid less any annual rent received from subleases of the same property.

- The average value of property is determined by adding the total value of property held by the taxpayer at the beginning of the tax period to the total value of property held at the end of the tax period and dividing by two.
- A fiduciary may be required to compute an average value on a monthly basis if the Department determines that a monthly average is necessary to correctly reflect the average value of the property.

PAYROLL FACTOR

This factor is a percentage determined as follows:

Divide the total amount paid as compensation to employees in New Mexico during the tax period

By the total amount paid as compensation to employees everywhere during the tax period.

Compensation was paid in New Mexico if any one of these conditions is present:

- The employee’s service was performed entirely inside New Mexico, **or**
- The employee’s service was performed both inside and outside New Mexico, but the service performed outside New Mexico was incidental to the service performed inside New

Mexico, **or**

- Some of the employee's service was performed in New Mexico, **and**
- New Mexico was the base of operations or the place from which the service was directed or controlled, **or**
- The employee who received payment for performing the service was a resident of New Mexico during the taxable period, whether or **not** the service was performed within a state other than New Mexico which was the base of operations or the state from which the service was directed or controlled.

SALES FACTOR

This factor is a percentage determined as follows:

Divide the total sales in New Mexico during the tax period (excluding non-business income)

By the total sales everywhere during the tax period (excluding non-business income).

“Sales” means all gross receipts from transactions and activity in the regular course of business.

Tangible personal property is sold in New Mexico when any of the following applies:

- The property was delivered or

shipped to a purchaser other than the U.S. government within New Mexico (regardless of the FOB point or other conditions of the sale), **or**

- The property was shipped from an office, store, warehouse, factory or other place of storage within New Mexico, **and**
- The purchaser was the U.S. government, **or**
- The business was not subject to income tax in the state where the property was sold, **or**
- Sales other than sales of tangible personal property are made in New Mexico if:
 - The income-producing activity was performed in New Mexico, **or**
 - The income-producing activity was performed both inside and outside New Mexico, but a greater proportion was performed inside New Mexico than in any other single state. (The proportion shall be determined by the cost of performance in each state.), **or**
 - The gross receipts were from the rental, lease, licensing or any other use of either real or tangible personal property during the time the property was in New Mexico, **or**
 - The gross receipts were from the performance of personal

Single Weighted Sales Factor Phase-In For Electing Manufacturers

For tax years beginning:

The apportionment formula is:

January 1, 2014 through December 31, 2014

$$\frac{2x \text{ sales factor} + \text{property factor} + \text{payroll factor}}{4}$$

January 1, 2015 through December 31, 2015

$$\frac{3x \text{ sales factor} + \text{property factor} + \text{payroll factor}}{5}$$

January 1, 2016 through December 31, 2016

$$\frac{7x \text{ sales factor} + 1.5x \text{ property factor} + 1.5x \text{ payroll factor}}{10}$$

January 1, 2017 through December 31, 2017

$$\frac{8x \text{ sales factor} + \text{property factor} + \text{payroll factor}}{10}$$

On or after January 1, 2018

$$\frac{\text{total sales in New Mexico}}{\text{total sales everywhere}}$$

services in New Mexico.

IMPORTANT: File Returns on Approved State Forms. Always submit 2014 Fiduciary Income Tax Returns on official state forms provided by or approved by the Department. Never submit a photocopy of an official state form. This will cause delays in processing your return.

WHERE TO FILE.

Mail the completed FID-1 return, attachments and payment (if any) to:

**New Mexico Taxation
and Revenue Department
P.O. Box 25127
Santa Fe, NM 87504-5127**

LINE INSTRUCTIONS FOR COMPLETING SCHEDULE FID-CR

Use Schedule FID-CR to claim any of the business-related tax credits listed in these instructions that may be taken against New Mexico income tax reported on the FID-1 return. You may also claim on this schedule any portion of approved film production tax credit or renewable energy production tax credit that may be refunded to you. Transfer the totals to the FID-1 return as instructed on the schedules. Be sure to attach the appropriate backup documentation to support the credit taken and attach Schedule FID-CR to your FID-1, *2014 New Mexico Fiduciary Income Tax Return*.

If you are claiming more than 5 credits to be applied to your tax liability or to be refunded, complete and attach the Supplemental Schedule FID-CR. Attach the supplemental to the Schedule FID-CR, reporting the additional credits. You must report the first 5 credits on Schedule FID-CR. Only credits claimed in excess of 5 will be reported on the supplemental Schedule FID-CR.

To calculate the amount that may be claimed, refer to the claim form or supporting instructions for the credit. The sum of tax credits applied to the tax due on the return may not exceed the income tax claimed on the FID-1 return (line 9 minus line 10).

For a complete description of the credits, see Publication [FYI-106, *Claiming Tax Credits for CRS Taxes and Business Related Income*](#).

Lines 1 through 5

For each credit claimed, enter:

- the credit type code,
- the credit approval number, if applicable,
- the amount to be applied to the tax liability on the return, and
- any amount of the credit that may be refunded to you.

Note: Only the renewable energy and film production tax credit may be refunded.

The **credit type code** is the number in front of the credit listed on Schedule FID-CR. You must complete this field.

The **credit approval number** 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 as described in the next section, *Tax Credit Types*, leave the credit approval number field blank.

If you are claiming multiple credits for the same credit type, list each credit separately.

For example: Taxpayer X has received investment vouchers 123456-1 and 123456-2 for two separate affordable housing tax credits. X's return shows a liability of \$80 before applying any tax credits. X wants to use the remaining \$50 from available carry forward on voucher 123456-1, and \$30 from voucher 123456-2. On line 1, X enters A01 in the credit type code column, enters 123456-1 in the credit approval number column, and \$50 in the amount claimed column. The fourth column is left blank because the affordable housing tax credit cannot be refunded. On line 2, X enters A01 in the credit type code column, enters 123456-2 in the credit approval number column, and \$30 in the amount claimed column. A separate entry is made for each credit.

Enter the sum of the **Amount Claimed**

Applied To Tax Due column on Schedule FID-CR, line A. Enter the sum of the **Amount of Credit To Refund** column on Schedule FID-CR, line B.

If you are claiming more than 5 credits to be applied to your tax liability or to be refunded, lines A and B of the Schedule FID-CR must include the sum of all credits reported on both the Schedule FID-CR and the supplemental to the Schedule FID-CR.

Make sure you transfer the amounts to the correct line on the FID-1 return, as follows:

- Transfer the total credits to be applied to the liability due from Schedule FID-CR, line A, to line 11 of the FID-1 return.
- Transfer the tax credits to be refunded from Schedule FID-CR, line B, to line 24 of the FID return.

TAX CREDIT TYPES

Credit Type Code A01

Affordable Housing Tax Credit. Beginning January 1, 2006, the Mortgage Finance Authority (MFA) issues vouchers to persons who have invested in affordable housing projects. The vouchers, good for up to 50% of the investment, may be sold or transferred, provided the MFA is notified of the transfer and a voucher has been re-issued to the transferee. "Affordable housing" covers land acquisition, construction, building acquisition, remodeling, improvement, rehabilitation, conversion or weatherization for single-family residences approved by MFA and multi-family residential housing located in a county of fewer than 100,000 persons.

MFA may issue an investment voucher to a person who has made an investment of land, buildings, materials, cash or services for an affordable housing project approved by MFA or for a trust fund administered by MFA. After receiving the vouchers from MFA, the taxpayer may apply the credit against gross receipts, compensating, withholding, personal income, fiduciary income or corporate income tax liabilities and carry unused credits forward for five years. The credit may not be refunded.

To claim the credit, complete and attach Form RPD-41301, *Affordable Housing Tax Credit Claim Form*, to your FID-1 along with Schedule FID-CR. Attach a copy of the investment vouchers for which you are claiming a credit.

In the **Credit Approval Number** box, enter the number assigned by MFA on the investment voucher. If transferred enter the new credit number assigned by MFA.

CREDIT TYPE CODE A02

Angel investment credit. You may claim a credit for 25% of the qualifying investment in a high-technology or manufacturing business if all of the following are true:

- You are a taxpayer who files a New Mexico personal or fiduciary income tax return.
- You are not a dependent of another individual.
- You are an accredited investor under IRS rules who makes a qualified investment.

For the accredited investor, the maximum amount of investment in a business for which a credit may be allowed is \$100,000 per year for no more than three years.

Accredited investors are allowed credits for two qualifying investments annually, provided that each investment is in a different qualified business. You cannot claim a credit for the same company for three years. A credit is not allowed for any investment made before January 1, 2007 or after December 31, 2016.

Carry Forward for Three Years

You can carry forward unused credit for three consecutive years. The credit is not refundable.

How To Apply For This Credit

To apply for this credit, contact the EDD to get a certificate of eligibility.

How To Claim This Credit

To claim the credit, follow these steps:

1. Complete Form RPD-41320, *Angel Investment Credit Claim Form*, and Schedule FID-CR.

2. Attach the following to your FID-1:

- RPD-41320
- FID-CR
- Copy of the certificate of eligibility from the New Mexico EDD

3. Submit your FID-1 and all attachments.

In the **Credit Approval Number** box, enter the certificate number from the certificate of eligibility issued to you by EDD.

Credit Type Code A03

Agricultural Water Conservation Tax Credit. A taxpayer may claim a credit against the taxpayer's personal, fiduciary or corporate tax liability for expenses incurred by the taxpayer for eligible improvements in irrigation systems or water management methods. Eligible improvements means an improvement that is:

- made on or after January 1, 2008;
- consistent and complies with a water-conservation plan approved by the local soil and water conservation district in which the improvement is located; and
- primarily designed to substantially conserve water on land in New Mexico that is owned or leased by the taxpayer and used by the taxpayer or the taxpayer's lessee to produce agricultural products, harvest or grow trees, or sustain livestock.

The amount of the credit is 35% of eligible expenses incurred in calendar year 2008 and 50% of eligible expenses incurred in subsequent years through December 31, 2012. The total credit allowed in a tax year may not exceed \$10,000.

To claim the agricultural water conservation tax credit, you must first obtain a certificate of eligibility from the local Soil and Water Conservation Commission within the district which encompasses the land upon which the improvement is or will be located. To find your local Soil and Water Conservation District, visit www.nmda.nmsu.edu/apr/soil-and-water-conservation-districts or call (575) 646-2642.

To claim the credit against any fidu-

ciary income tax due, complete Form RPD-41319, *Agricultural Water Conservation Tax Credit Claim Form*, and attach it to your FID-1 with Schedule FID-CR. This credit may not be refunded but you may carry unused credit forward for five consecutive years.

In the **Credit Approval Number** box, enter the last day of the tax year when the credit was first eligible to claim.

NOTE: The agricultural water conservation tax credit provisions are repealed effective January 1, 2013; however, a taxpayer may claim a carryforward of the credit.

Credit Type Code A04

Advanced Energy Tax Credit. A qualified electricity generating facility located in New Mexico may be eligible to apply for and claim the advanced energy tax credit (advanced energy income tax credit, advanced energy corporate income tax credit and the advanced energy combined reporting tax credit). The amount of the credit is 6% of the eligible generation plant costs. The aggregate amount of tax credit that may be claimed with respect to a qualified generating facility is limited to \$60,000,000.

Once the certificate of eligibility is issued by the New Mexico Environment Department (NMENV), obtain approval from TRD by submitting a completed Form RPD-41333, *Advanced Energy Tax Credit Application*, a certificate of eligibility, and other information TRD requires to determine the amount of tax credit allowed. The application must be submitted within one year following the end of the calendar year in which the eligible generation plant costs are incurred. The right to claim the credit may be allocated to other taxpayers who are interest owners in the qualified electric generating facility. The *Notice of Allocation of Right to Claim Advanced Energy Tax Credits* is required to be attached to RPD-41333 to allocate the credit to interest owners.

Once approved, you may claim this credit by completing Form RPD-41334, *Advanced Energy Tax Credit Claim Form*, and attaching it to your FID-1 with Schedule FID-CR. This credit may

not be refunded but you may carry unused credit forward for up to ten years.

In the **Credit Approval Number** box, enter the number issued by the Taxation and Revenue Department. The credit approval number is identified on your credit approval letter. If your approval letter does not show a credit approval number, leave this box blank.

Credit Type Code A05

Agricultural Biomass Income Tax Credit. A credit is available for a taxpayer who owns a dairy or feedlot and who files a personal, fiduciary, or corporate income tax return for a taxable year beginning on or after January 1, 2011 and ending prior to January 1, 2020. TRD may allow a credit equal to \$5 per wet ton of agricultural biomass transported from the taxpayer's dairy or feedlot to a facility that uses agricultural biomass to generate electricity or make biocrude or other liquid or gaseous fuel for commercial use.

To qualify for this credit, you must first obtain a certificate of eligibility from the Energy, Minerals and Natural Resources Department (EMNRD). Once the certificate of eligibility is issued by EMNRD, obtain approval from TRD by submitting a completed Form RPD-41362, *Agricultural Biomass Income Tax Credit Approval*, and the certificate of eligibility to TRD. TRD will approve the credit and return the approved form to the owner or holder.

Once approved, you may claim this credit by completing Form RPD-41361, *Agricultural Biomass Income Tax Credit Claim Form*, and attaching it to your FID-1 with Schedule FID-CR. Excess credit may not be refunded but may be carried forward for a maximum of four consecutive tax years following the year TRD approved the credit.

In the **Credit Approval Number** box, enter the credit number assigned by TRD on Form RPD-41362, *Agricultural Biomass Tax Credit Approval*. If the tax credit was transferred to you, enter the new credit number from Form RPD-41363, *Notice of Transfer of Agricultural Biomass Tax Credit*.

Credit Type Code B01

FID-1

Business Facility Rehabilitation Credit. The business facility rehabilitation credit is enacted for some pre-approved costs of restoration, rehabilitation, or renovation of a qualified business facility located in a New Mexico enterprise zone. The facility must be suitable for use and put into service in the manufacturing, distribution, or service industry immediately after the restoration, rehabilitation, or renovation project. This credit is for 50% of the pre-approved costs, not to exceed \$50,000.

To claim the credit, you must receive certification from the Enterprise Zone Program Officer of the New Mexico Economic Development Department (EDD). You are required to complete CIT-5, *Qualified Business Facility Rehabilitation Credit*, and submit it with the certificate of completion issued by the EDD. An amount exceeding the tax liability can not be refunded, but may be carried forward for four consecutive years.

NOTE: This credit is not currently available. It was enacted in 1994 to administer the Federal Enterprise Zone Program supporting the renovation and rehabilitation of damaged or destroyed structures in community areas designated as enterprise zones. However, the Federal Enterprise Zone Program has been discontinued and, after 2006, the New Mexico EDD has listed the New Mexico Enterprise Zone Program as an inactive program.

For more information on building revitalization programs in New Mexico, contact the New Mexico EDD at (505) 827-0300.

Credit Type Code B02

Blended Biodiesel Fuel Tax Credit. Beginning January 1, 2007 but not after December 31, 2012, a rack operator or supplier who is required to pay the special fuel excise tax and who files a New Mexico personal, fiduciary, or corporate income tax return may claim a credit against the tax due on the return for each gallon of blended biodiesel fuel on which that person paid, or would have paid, the special fuel excise tax in the tax year, but for

certain deductions allowed for special fuel sold or the treaty exemption for North Atlantic Treaty Organization use.

NOTE: The blended biodiesel tax credit is not available for tax years beginning on or after January 1, 2013; however, a taxpayer may claim a carryforward of the credit for five years from the date of the certificate of eligibility. The credit may not be refunded.

To qualify for the credit, a taxpayer must be a registered New Mexico supplier who files Form RPD-41306, *Combined Fuel Tax Report*, reporting qualifying biodiesel fuel receipts.

To apply for the credit complete Form RPD-41322, *Blended Biodiesel Fuel Tax Credit Application*, to report qualifying biodiesel fuel receipts and establish eligibility for the credit, and submit to TRD.

Once approval is granted for eligibility, to claim the credit, complete Form RPD-41340, *Blended Biodiesel Fuel Tax Credit Claim Form*, and attach it to your FID-1 with Schedule FID-CR. An approval number is not required to claim this credit.

CREDIT TYPE CODE C01

Cancer clinical trial tax credit. A tax credit is available for an oncologist who conducts a cancer clinical trial beginning on or after January 1, 2012, but before January 1, 2016. A tax credit of \$1,000 is allowed for each participating patient, but must not exceed \$4,000 for all cancer clinical trials conducted by that physician during the tax year.

A taxpayer for whom all of the following are true qualifies for the cancer clinical trial tax credit:

- You are a physician licensed pursuant to the Medical Practice Act (Section 61-6-1 NMSA 1978).
- You file a New Mexico personal income tax or fiduciary income tax return.
- You are not a dependent of another taxpayer.
- Your practice is located in rural New Mexico.

Only a qualified licensed physician

may claim the credit. If the physician belongs to a business association in which one or more members qualify for a cancer clinical trial tax credit, the credit is equally apportioned between the eligible physicians conducting, supervising, or participating in the trial.

The total cancer clinical trial tax credit allowed for all members of a partnership or business association cannot exceed the credit amount that could have been claimed by one qualified physician.

To claim this credit, complete Form RPD-41358, *Cancer Clinical Trial Tax Credit Claim Form*, and Schedule FID-CR. Attach these forms to your FID-1 and submit them to the Department.

**Credit Type Code E01
Electronic Card-Reading Equipment Tax Credit.** New Mexico has a one-time income tax credit for businesses that purchase electronic identification card readers for age verification. A business may claim this credit on a New Mexico personal income tax return, fiduciary income tax return, or corporate income and franchise tax return if:

- The business is licensed to sell cigarettes, tobacco products or alcoholic beverages, *and*
- The business has purchased, and is using, equipment that electronically reads identification cards to verify age.

The credit amount is \$300 for each business **location** using electronic identification card-readers. The owner, member or partner of a pass-through entity may claim a credit in proportion to the owner's interest in the partnership or other business association. The total credit claimed by all members of the partnership or association may not exceed \$300 for each business location.

Claim this non-refundable credit in the tax year the equipment was purchased and put into use. You cannot carry excess amounts forward or back into another tax year.

To claim the credit, complete and have notarized Form RPD-41246,

Income Tax Credit for Electronic Identification Card Reader, Purchase and Use Statement. Enter the amount of credit on Schedule FID-CR. Submit the statement and the FID-CR with your FID. When the credit (\$300) is split among spouses, owners, partners, or other business associations, each claimant must show the division of the total credit (\$300 per business location) on page 2 of Form RPD-41246. An amount exceeding the tax liability can not be refunded and may not be carried forward.

Leave the **Credit Approval Number** box blank. A credit approval number is not required to claim this credit.

**Credit Type Code F01
Film Production Tax Credit.** The film production tax credit provides a credit for an eligible film production company. The amount of the credit is equal to 25% of direct production and direct postproduction expenditures. An additional 5% may be added for television shows subject to certain requirements. Direct production expenditures must be directly attributable to the production in New Mexico of a film or commercial audiovisual and both direct and post production expenditures must be subject to taxation by the State of New Mexico. Excluded from the credit are costs for which the film production company has already issued a nontaxable transaction certificate under Section 7-9-86 NMSA 1978.

To obtain approval for the credit, first apply to the New Mexico Film Office of the Economic Development Department (EDD). When it receives approval from EDD, the film production company may apply for Taxation and Revenue Department approval of the credit. See the *Application for Film Production Tax Credit*, Form RPD-41229.

Once approved, you may claim the credit by filing your personal, fiduciary or corporate income tax return. To claim the credit against tax due on your FID return. Complete Schedule FID-CR and attach it to your FID-1 return. Also attach Form RPD-41228, *Film Production Tax Credit Claim Form*.

Note: If you are an owner or affiliate of the film production company that was approved for the credit, do not enter more than that portion of approved credit that was distributed to you at the time the film production company received TRD approval for the credit. If you are not sure what your distributed amount is, contact the film production company.

NOTE: The amount of film production tax credit you may claim against your tax due on this return and the amount that you may receive as a refund are subject to certain limitations governing the payment of film production tax credit claims. See the instructions for the film production tax credit claim form for details regarding these limitations and how your claim may be impacted.

In the **Credit Approval Number** box, enter the credit approval number issued by the Taxation and Revenue Department. The credit approval number is identified on your credit approval letter. If your approval letter does not show a credit approval number, leave this box blank.

**Credit Type Code G01
Geothermal Ground-Coupled Heat Pump Tax Credit.** A credit is available for a taxpayer who has purchased and installed a geothermal ground-coupled heat pump after January 1, 2010, but before December 31, 2020. To qualify for the tax credit, the taxpayer must install the pump in a residence, business or agricultural enterprise in New Mexico owned by that taxpayer or by a partnership or other business association of which the taxpayer is a member. The credit, which may not exceed \$9,000, is available for up to 30% of the purchase and installation costs. This credit may not be refunded, but unused credit may be carried forward for a maximum of ten consecutive years following the tax year for which the credit was approved.

To qualify for this credit, you must first obtain a certificate of eligibility from the New Mexico Energy, Minerals and Natural Resources Department. To claim this credit against any corporate

income tax due, complete and attach RPD-41346, *Geothermal Ground-Coupled Heat Pump Tax Credit Claim Form*, to your FID-1 with Schedule FID-CR. Attach a copy of the certificate which you are claiming credit.

In the **Credit Approval Number** box, enter the certificate number shown on the credit approval document issued to you by EMNRD.

Credit Type Code J01

Job Mentorship Tax Credit. A taxpayer owning a New Mexico business may claim a Job Mentorship Tax Credit for employing qualified students who take part in a career preparation education program. The credit equals 50% of gross wages paid to a maximum of ten qualified students. The business must employ the students for up to 320 hours each during the tax year. A taxpayer may not claim a credit for one qualified individual for more than three tax years. The maximum credit for one tax year is \$12,000.

Obtain a Form RPD-41280, *Job Mentorship Tax Credit Certificate*, from the secondary school operating the career preparation education program for each qualified student you employ.

To claim this credit against fiduciary income tax, complete Form RPD-41281, *Job Mentorship Tax Credit Claim Form*, and attach it to your FID-1 with Schedule FID-CR. Also, attach a Form RPD-41280, *Job Mentorship Tax Credit Certificate*, for each qualified student employed during the tax year. This credit may not be refunded but you may carry unused credit forward for three consecutive years.

A partnership or other business association of which the taxpayer is a member may claim a credit in proportion to the taxpayer's interest in the partnership or association.

Leave the **Credit Approval Number** box blank. A credit approval number is not required to claim this credit.

Credit Type Code L01

Land Conservation Incentives Credit. Individuals or corporations who donate land, or interest in land,

to private or public conservation agencies for conservation purposes may claim a credit from personal, fiduciary, or corporate income tax, equal to 50% of the fair market value of the land transferred up to \$100,000 for donations made prior to January 1, 2008, and \$250,000 for donations made on or after January 1, 2008. Additionally for a donation made on or after January 1, 2008, the credit may be sold, exchanged or transferred in increments of \$10,000 or more.

To apply for this credit contact the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) who certifies the eligibility of the donation. Once the certificate of eligibility is received from EMNRD, complete Form RPD-41335, *Land Conservation Incentives Tax Credit Application*, and submit to TRD with a copy of the certificate of eligibility.

Once approval is received from TRD, claim this credit by completing Form RPD-41282, *Land Conservation Incentives Credit Claim Form*, and attach it to your FID-1 with Schedule FID-CR. Also, attach the letter received from EMNRD certifying treatment as a qualified donation. Unused credit may not be refunded but may be carried forward for up to 20 consecutive years following the year in which the qualified donation occurred.

In the **Credit Approval Number** box, enter the credit number assigned by TRD on Form RPD-41335, *Land Conservation Incentives Credit Application*. If the credit was transferred, enter the new credit number from Form RPD-41336, *Notice of Transfer of Land Conservation Incentives Tax Credit*.

Credit Type Code P01

Preservation of Cultural Property Credit. The credit for preservation of cultural property is 50% of the costs of a project for the restoration, rehabilitation or preservation of cultural property listed on the official New Mexico Register of Cultural Properties, not to exceed \$25,000. Beginning in 2009, if the property is also located in an arts and cultural district certified by the state or a municipality pursuant to the Arts and Cultural District Act, a maximum of

\$50,000 credit will be allowed.

The Cultural Properties Review Committee must approve the project plan before the restoration begins and certify that the completed project conforms to the plan.

To claim this credit against any fiduciary income tax due, complete Form CIT-4, *New Mexico Preservation of Cultural Property Credit*, and attach it to your FID-1 along with a copy of the Part 2 approval from the New Mexico Cultural Properties Review Committee and the approval from the New Mexico Arts and Cultural Districts Coordinator, if applicable. An amount exceeding the tax liability can not be refunded, but may be carried forward for four consecutive years.

In the **Credit Approval Number** box, enter the log number shown on the project approval document issued to you by the Historic Preservation Division.

Credit Type Code R01

Rural Job Tax Credit. A Rural Job Tax Credit is available for employers in rural areas of New Mexico who qualify for Job Training Incentive Program (JTIP) assistance. Eligible employers may earn the rural job tax credit for each qualifying job created after July 1, 2000. The employer must certify the wages paid to each eligible employee. See Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, on the TRD website, www.tax.newmexico.gov. Pre-approval is required.

Calculate the Rural Job Tax Credit at 6.25% of the first \$16,000 in wages paid for each qualifying job for no more than four qualifying periods in a Tier 1 area, and no more than two qualifying periods in a Tier 2 area. A rural area excludes Albuquerque, Corrales, Farmington, Las Cruces, Los Alamos County, Los Ranchos, Rio Rancho, Santa Fe, and Tijeras, and a ten-mile zone around these municipalities. Tier 2 areas are limited to Alamogordo, Carlsbad, Clovis, Gallup, Hobbs, and Roswell. Tier 1 is any rural area not part of a Tier 2 area. A qualifying period is 12 months.

The holder of the Rural Job Tax Credit document may apply all or part of the credit against the holder's combined state gross receipts, compensating and withholding taxes, or personal, fiduciary, or corporate income tax.

To learn more about JTIP assistance, visit the New Mexico Economic Development Department website at www.gonm.biz/ or call (505) 827-0300 or (800) 374-3061.

To apply for this credit, complete Form RPD-41238, *Application for Rural Job Tax Credit*, attach a notarized completed Form RPD-41247, *Certificate of Eligibility for the Rural Job Tax Credit*, for each qualified job you claim in the eligible period, and send it to the address on the form.

Once approval is received from TRD, complete Form RPD-41243, *Rural Job Tax Credit Claim Form*, and submit it with your FID-1 along with Schedule FID-CR. An amount exceeding the tax liability can not be refunded, but may be carried forward for three years from the date the credit is issued.

In the **Credit Approval Number** box, enter the credit approval number issued to you by the Taxation and Revenue Department. The credit approval number is identified on your credit approval letter. If your approval letter does not show a credit approval number, leave this box blank.

Credit Type Code R02

Rural health care practitioners tax credit. Beginning January 1, 2007, a taxpayer for whom **all** of the following are true may be eligible to claim the rural health care practitioners tax credit against a personal or fiduciary income tax liability:

- You file a New Mexico personal or fiduciary income tax return.
- You are not a dependent of another individual.
- You are an eligible health care practitioner.
- You have provided health care services in New Mexico in a rural health care underserved area.

The following are the maximum amounts allowed for the credit you can claim, depending on profession:

- \$5,000 for eligible physicians, osteopathic physicians, dentists, clinical psychologists, podiatrists, and optometrists who qualify
- \$3,000 for dental hygienists, physician assistants, certified nurse-midwives, certified registered nurse anesthetists, certified nurse practitioners, and clinical nurse specialists who qualify

Hours Required to Qualify

An eligible health care practitioner must have provided health care at a practice site located in an approved rural health care underserved area during a taxable year for at least:

- 2,080 hours to qualify for the full credit amount
- 1,040 hours, but less than 2,080 hours, to qualify for one-half the full credit amount.

Carry Forward for Three Years

If the amount of the credit you claim exceeds your tax liability for the taxable year for which you are claiming the credit, you can carry forward the excess for three consecutive tax years. This credit is not refundable.

How To Apply For This Credit

Before an eligible health care practitioner may claim the rural health care practitioner tax credit, the practitioner must apply to DOH for a certificate of eligibility for the credit. When DOH approves a practitioner, DOH issues a certificate to the qualified eligible health care practitioner.

Lists of Locations Approved by DOH

DOH compiles and annually revises lists of approved rural practice locations. These revisions reflect any changes in the need for health practitioners throughout the state.

Separate lists are available for different categories of health care practitioners. The lists are compiled with the input of a program advisory group that includes representatives from several health professions.

How To Claim This Credit

After you receive the certificate of eligibility from DOH, you can claim the credit by following these steps:

1. Complete Form RPD-41326, *Rural Health Care Practitioner Tax Credit Claim Form*, and FID-CR.
2. Attach the following to your FID-1:
 - RPD-41326
 - FID-CR
 - Copy of the certificate of eligibility received from DOH
3. Submit your FID-1 and all attachments.

For More Information

For a copy of location lists and for more information about certification of eligibility, contact DOH at (505) 222-8672 or visit their website at www.health.state.nm.us/care.html. The physical address of DOH is 300 San Mateo NE, Suite 900, Albuquerque, NM 87108.

Credit Type Code R03

Renewable Energy Production Tax Credit. Personal income and corporate income taxpayers receive credit for producing electricity by solar light or heat, wind, or biomass for 10 consecutive years beginning on the date the qualified energy generator begins producing electricity. A qualifying energy generator means a facility with at least one megawatt generating capacity located in New Mexico that produces electricity using a qualified energy resource and that sells that electricity to an unrelated person.

To qualify, the taxpayer must either hold title to a qualified energy generator that first produced electricity on or before January 1, 2018, or lease property upon which a qualified energy generator operates from a county or municipality, under the authority of an industrial revenue bond. EMNRD must first approve the qualified energy generator and the business claiming the credit.

When approval is received from EMNRD, claim the credit by attaching to your FID-1, Schedule FID-CR, a completed Form RPD-41227, *Renewable Energy Production Tax Credit Claim Form*, the certificate of eligibility issued by EMNRD, the Allocation Notice approved by EMNRD if applicable,

and documentation of the amount of electricity produced by the facility in the tax year. The credit may be deducted from the taxpayer's corporate, personal, or fiduciary income tax liability for which the credit is claimed. If the amount of the tax credit exceeds the taxpayer's income tax liability for the tax year:

1. The excess may be carried forward for 5 years, or
2. If the tax credit was issued with respect to a qualified energy generator that first produced electricity using a qualified energy resource on or after October 1, 2007, the excess shall be refunded to the taxpayer.

In the **Credit Approval Number** box, enter the last day of the tax year when the electricity was produced for which you are claiming a credit or a carry-forward.

Credit Type Code S01
Solar market development tax credit. A taxpayer who has received certification from EMNRD for the purchase and installation of a qualified photovoltaic or solar thermal system in a residence, business, or agricultural enterprise in New Mexico owned by that taxpayer may claim the credit. The photovoltaic or solar thermal system must be purchased and installed after January 1, 2006, but before December 31, 2016.

NOTE: The solar market development tax credit is reported on Schedule FID-CR, as credit type code S01. The renewable energy tax credit is reported on Schedule FID-CR, as credit type code R03. These credits are not the same credit.

The credit, which may not exceed \$9,000, is available for up to 10% of the purchase and installation costs of a qualified photovoltaic or solar thermal system.

Carry Forward for 10 Years
You may carry forward unused credit for a maximum of 10 years.

How To Claim This Credit
When you receive approval from

EMNRD, follow these steps to claim the credit:

1. Complete Form RPD-41317, *Solar Market Development Income Tax Credit Claim Form*.
2. Complete FID-CR. In the **Credit Approval Number** box, enter the certificate number shown on the certificate of eligibility EMNRD issued to you.
3. Attach the following to your FID-1:
 - RPD-41317
 - FID-CR
 - Letter from EMNRD certifying the project
4. Submit your FID-1 and all attachments.

IMPORTANT: To claim this credit, you must have a certificate from EMNRD issued to you.

Credit Type Code S02
Sustainable Building Tax Credit. A credit is available for the construction in New Mexico of a sustainable building or for the renovation of an existing building in New Mexico into a sustainable building or the permanent installation of manufactured housing, regardless of where the housing is manufactured, that is a sustainable building

A credit may not be claimed for tax years beginning on or after January 1, 2017. The building may be for residential or commercial use, but is not available for a building owned by an entity that does not file a New Mexico corporate, personal, or fiduciary income tax return. The credit is available for residential and commercial buildings, after the construction, installation or renovation of the sustainable building is complete. To qualify for the tax credit, the building must have achieved a silver or higher certification level in the LEED green building rating system or the build green New Mexico rating system.

To apply for this credit, you must first obtain a certificate of eligibility by contacting the New Mexico Energy, Minerals and Natural Resources Department. Once the certificate of eligibility is issued, you must promptly complete and submit Form RPD-41327, *Sustain-*

able Building Tax Credit Approval, along with a copy of the certificate of eligibility, to the Taxation and Revenue Department before claiming the credit on your New Mexico income tax return.

To claim this credit against any fiduciary income tax due, complete and attach Form RPD-41329, *Sustainable Building Tax Credit Claim Form*, to your FID-1 with Schedule FID-CR. Attach a copy of the letter of eligibility for which you are claiming a credit.

The credit is not refundable but may be carried forward for seven years from the tax year in which the Department approved the credit.

In the **Credit Approval Number** box, enter the credit number assigned by TRD on Form RPD-41327, *Sustainable Building Tax Credit Approval*. If the credit was transferred to you, enter the new credit number assigned by TRD on Form RPD-41342, *Notice of Sustainable Building Tax Credit*.

Credit Type Code T01
Technology Jobs (Additional) Tax Credit. The Technology Jobs Tax Credit is 4% of qualified expenditures for conducting research and development. An additional 4% credit is available if the taxpayer increases its annual payroll by at least \$75,000 for every \$1 million in qualified expenditures it claims in a tax year. The basic and additional credits double for businesses in rural areas.

The taxpayer must make the eligible expenditures for research and development at a qualified facility. For a list of qualified expenditures, see the instructions for Form RPD-41239, *Application for Technology Jobs Tax Credit*.

The holder of the Technology Jobs Tax Credit document may apply all or part of "basic" credits against the holder's combined state gross receipts, compensating and withholding taxes. If you have earned "additional" credits, you may claim that amount against personal, fiduciary, or corporate income taxes.

To apply for the basic and additional

credit, complete Form RPD-41239, *Application for Technology Jobs Tax Credit*, and send it along with documentation of the expenditures and payroll increase to the address on the form.

"Additional" credits may be applied towards fiduciary income tax due on the FID-1 return.

To claim an approved technology jobs tax credit, complete Form RPD-41244, *Technology Jobs Tax Credit Claim Form*, and submit it with your FID-1 and Schedule FID-CR. An amount exceeding the tax liability can not be refunded, but may be carried forward.

In the **Credit Approval Number** box, enter the credit approval number issued to you by the Taxation and Revenue Department. The credit approval number is identified on your credit approval letter. If your approval letter does not show a credit approval number, leave this box blank.

NOTE: Taxpayers who claim the research and development small business tax credit are ineligible to claim the investment tax credit or the technology jobs tax credit for the same reporting period.

Credit Type Code V01

Veterans Employment Tax Credit.

For tax years beginning on or after January 1, 2012 but not after December 31, 2016, a taxpayer who employs a qualified military veteran in New Mexico is eligible for a credit against the taxpayer's personal, fiduciary, or corporate income tax liability for up to \$1,000 for wages paid to the qualified military veteran. The veteran must have been hired within two years of receipt of an honorable discharge from a branch of the U.S. military and be employed at least 40 hours per week. If the veteran is employed for less than a full year, the credit for that year is reduced based on the ratio of the qualified period of employment over the full tax year of the employer. The taxpayer may not receive the credit for any individual qualified military veteran for more than one year from the date of hire. Multiple employers may not receive a credit for the same qualified military veteran, in

the same tax year. The veteran employment tax credit is only allowed for the employment of a veteran who was not previously employed by the taxpayer prior to the individual's deployment.

To apply for the credit, complete Form RPD-41371, *Application for Veteran Employment Tax Credit*, and submit it to the Taxation and Revenue Department. For each eligible military veteran employed in the tax year, attach a completed Form RPD-41370, *Certification of Eligibility for the Veteran Employment Tax Credit*. If more than one eligible military veteran was employed during the tax year, a certification of eligibility for each military veteran for whom you wish to claim a credit must be attached and included. On the application, summarize the certifications attached and answer the questions establishing that you retain the status of an eligible employer. TRD will notify you when approved.

Once approved, you may claim the credit against fiduciary income tax due by submitting Form RPD-41372, *Veterans Employment Tax Credit Claim Form*, and Schedule FID-CR along with your FID-1. Excess credit may not be refunded, but may be carried forward for up to three years.

In the **Credit Approval Number** box, enter the credit claim number shown on your approved Form RPD-41371, *Veteran Employment Tax Credit Application*.

SCHEDULE FID-D, ANNUAL WITHHOLDING OF NET INCOME FROM A FIDUCIARY DETAIL REPORT, LINE INSTRUCTIONS

Who Must File.

An estate or trust that distributes New Mexico net income that is taxable to its recipients is a pass-through entity (PTE) and subject to withholding pursuant to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act, Sections [7-3A-1 through 7-3A-9 NMSA 1978]. As a PTE, the trust or estate is also required to withhold from the non-resident recipient's share of the trust or estates taxable New Mexico net income. The estate or trust must file and pay the tax withheld on the annual

Schedule FID-D*, *Annual Withholding of Net Income From a Fiduciary Detail Report*, reporting the details for all recipients that it distributes taxable New Mexico net income. If the income distributed is not taxable to the recipient, as in the case of some grantor trusts, including living trusts, the distributed income is not included on that schedule.

*For tax years 2011 and 2012, estates and trusts who are PTEs, were required to file this Form RPD-41367, instead of Schedule FID-D.

Certain exceptions to the requirement to withhold are allowed, and you must maintain documentation in the PTE's records to establish that the PTE had reasonable cause for not withholding. A complete list of exceptions is provided in these instructions. See **Reasonable Cause for Not Withholding, on page 25.**

How to File Schedule FID-D.

If a PTE has 50 or fewer beneficiaries who receive taxable New Mexico net income, the PTE may submit the completed Schedule FID-D with the FID-1 return.

If a PTE has more than 50 beneficiaries who receive New Mexico taxable net income, the PTE is required to electronically file Schedule FID-D through the Department's website. Then, FID-D is filed separately from the FID-1 return.

If the PTE has more than 50 New Mexico payees, and is unable to file electronically because a hardship exists, the PTE may request Department approval to file by paper. The PTE may request approval by filing Form RPD-41350, *E-File Exception Request Form*. The request must be received by the Department at least 30 days before the taxpayer's electronic report is due.

When required to be filed electronically, a paper filed Schedule FID-D will be rejected by the Department. When not required to be filed electronically, attach a paper filed Schedule FID-D to the FID-1 return.

Other Reporting Requirements.

Estates and trusts are also required to provide sufficient information to

allow beneficiaries to comply with the provisions of the Income Tax Act and the Corporate Income and Franchise Tax Act, with respect to the beneficiary's share of the taxable net New Mexico income. An estate or trust uses federal Forms 1099-Misc, *pro forma* 1099-Misc, or Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*, to report to the beneficiaries the allocable net income and the New Mexico tax withheld. These forms must be provided to the beneficiary by February 15th of the year following the year for which the statement is made. The estate or trust is not required to submit these forms to the Department.

The fiduciary must also furnish each beneficiary with a statement detailing the amount of income allocable or apportionable to New Mexico for each type of income shown on Federal Schedule K-1. In addition, this statement is expected to show the amount of each beneficiary's share of interest from obligations of the U.S. government and federally tax-exempt interest distributed from the trust or estate, and the portion of such items allocable to New Mexico.

Completing Schedule FID-D.

Enter the name and the federal identification number (FEIN) of the trust or estate that is also a pass-through entity (PTE). Also enter the address. When the PTE is a trust or an estate, enter only the total New Mexico net income distributed to the beneficiaries, that is also taxable to the beneficiaries.

If the PTE is filing for a calendar year, make sure you are using the Schedule for the appropriate tax year. If the PTE is filing for a fiscal tax year or a short tax year (other than a full calendar year), enter the first day and the last day of the tax year. The tax year for the New Mexico return must be the same as the tax year for the federal return. Calendar year filers do not need to make an entry.

Enter the due date of the PTE's federal income tax return. If no federal income tax return for the tax year is due, enter 105 days after the end of the entity's tax year. If an extension was granted,

enter the extension due date.

Amending: Check the amended indicator box if you are amending a previously filed Schedule FID-D, *Annual Withholding of Net Income From a Fiduciary Detail Report*. If requesting a refund due to an overpayment of tax withheld, you must also submit Form RPD-41373, *Application for Refund of Tax Withheld From Pass-through Entities*.

Column 1. Enter the name and address of each beneficiary of the trust or estate, who have had taxable net income distributed to them. If an individual, enter the first, middle initial and last name of the owner. Mark the box if the address is outside the U.S.. A trust or estate enters the name and address of each beneficiary to whom a taxable distribution of New Mexico net income was made for the tax year.

Column 2. Enter the beneficiary's federal identification number and mark the box indicating that the number is a federal employer identification number (FEIN) or a social security number (SSN).

Column 3. Enter the beneficiary's share of the taxable distribution of New Mexico net income. The total of column 3 for all pages must equal Line 1, *Total New Mexico net income*.

Column 4. Enter the beneficiary's share of tax withheld for the tax year. The beneficiary's share includes both:

- Withholding tax that the trust or estate paid directly to the Department, and
- Tax withheld and paid on behalf of the trust or estate, subsequently passed to the owners of the trust or estate.

When a trust or estate passes tax withheld to its beneficiaries, the income tax withheld is included in the detail for the beneficiary on Form RPD-41367, column 4.

When a trust or estate requests a refund of overpayment of tax withheld on Form FID-1, the withholding is NOT included on Schedule FID-D, column 4. The trust or estate claims the refund

of the overpayment of tax withheld on the FID-1 return and does not report that amount with the withholding of its beneficiaries.

Column 5. If the trust or estate has a valid signed Form RPD-41353, *Owner's or Remittee's Agreement to Pay Withholding on Behalf of a Pass-through Entity or Remitter*, on file, mark the box in column 5. The agreement must not be revoked and the trust or estate cannot be a personal service business*. Form RPD-41353 is required documentation showing that the trust or estate and the beneficiary have entered into an agreement that the non-resident beneficiary agrees to pay the New Mexico tax on the beneficiary's share of the allocable net income of the PTE.

*A trust or estate that is a personal service business cannot enter into an agreement with its owners.

Complete **line 2** for each page, entering the sum of column 4 for the page. Also complete **line 3** on the first page showing the total tax withheld by the trust or estate, reported in column 4, from all pages.

Line 4. Enter the amount of *Withholding tax passed to owners*. If a PTE, who is a trust or estate, has had tax withheld from the oil and gas proceeds received or the allocable net income of another PTE, the PTE may pass the tax withheld to its owners by issuing the owner a 1099-Misc, *pro forma* 1099-Misc or New Mexico Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*. Do not include on this line, any tax that was withheld and paid by the PTE who files this report. The withholding tax passed to the owners must be subtracted from the total owner's share of withholding tax to determine the amount of tax due on this report.

Line 5. Enter the withholding tax payments made directly by the PTE, towards the liability due on this report. Report payments made whether submitted by mail or through the web application on the Department's website. Do not include payments that are submitted with this Report. Payments reported on this line, are subtracted to determine the amount due on this report.

Line 6. Subtract the sum of lines 4 and 5 from line 3. This is the amount of withholding tax due on this report. The amount entered should not fall below zero. If it does, check your figures or see the instructions for amending this report in these instructions.

Line 7: Add penalty if the entity fails to file timely or to pay the amount on line 6 when due. Calculate the penalty by multiplying the unpaid amount on line 6 by 2%, then by the number of months or partial months for which the return or payment is late, not to exceed 20% of the tax due. The penalty may not be less than \$5.00.

Line 8: Interest accrues daily on the unpaid principal of tax due, and can change on a quarterly basis. The effective annual and daily interest rates are posted on the Department's web page at www.tax.newmexico.gov or can be obtained by contacting the Department.

The formula for computing interest is:

$$\begin{aligned} &\text{Tax due} \times \text{the daily interest rate} \\ &\quad \text{for the quarter} \\ &\times \text{number of days late} = \text{interest} \\ &\quad \text{due.} \end{aligned}$$

Line 9: Add lines 7 and 8 to compute the total due.

Signature: The form is not complete until the PTE or the PTE's authorized agent has signed and dated the report. Enter the e-mail address of the PTE or the PTE's authorized agent.

IMPORTANT DEFINITIONS

"Net Income" means, for any pass-through entity (PTE), the income reported to an owner, by the PTE for federal income tax purposes, including ordinary business income or loss, net rental income or loss, guaranteed payments to a partner of a partnership, dividends, royalties and capital gain or loss, less associated deductions, plus interest earned on a state or local bond, less interest earned on a bond issued by the State of New Mexico or its political subdivisions, less income from obligations of the United States less expenses incurred to earn that income; in the case of a sub-chapter S corporation, "net income" also includes income taxable to the corpora-

tion for federal income tax purposes. Net income also includes appropriate allocation and apportionment of that income to New Mexico in accordance with the Uniform Division of Income for Tax Purposes Act.

"Pass-through entity" means a personal services business or any other business association other than:

- a sole proprietorship;
- an estate or trust that does not distribute income to beneficiaries;
- a corporation, limited liability company, partnership or other entity not a sole proprietorship taxed as a corporation for federal income tax purposes for the tax year;
- a partnership that is organized as an investment partnership in which the partner's income is derived solely from interest, dividends and sales of securities;
- a single member limited liability company that is treated as a disregarded entity for federal income tax purposes, or
- a publicly traded partnership as defined in Subsection (b) of Section 7704 of the Internal Revenue Code.

"Personal Services Business" means a business organization that receives payments for the services of a performing artist for purposes of the film production tax credit.

"Owner" means a partner in a partnership not taxed as a corporation for federal income tax purposes for the tax year, a shareholder of an S corporation or of a corporation other than an S corporation that is not taxed as a corporation for federal income tax purposes for the tax year, a member of a limited liability company or any similar person holding an ownership interest in any pass-through entity. Owner also means a performing artist to whom payments are due from a personal services business.

"Partnership" means a combination of persons, including a partnership, joint venture, common trust fund, association, pool or working agreement, or any other combination of persons treated as a partnership for federal income tax purposes.

Adjustments to the amount withheld:

- The amount of tax withheld from the owner's net income may be reduced, but not below zero, by the amount required to be withheld for oil and gas proceeds.
- If a PTE has deducted and withheld an amount pursuant to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act, from the net income of an owner that is also a PTE, the payee PTE may take credit for that amount in determining the amount the payee PTE must withhold and deduct.

Reasonable Cause for Not Withholding.

1. If the amount to be withheld from an owner's allocable share of the net income in any calendar year is less than \$100, no withholding is required.
2. If the owner is an insurance company and falls under the provisions of Section 59A-6-6 NMSA 1978, no withholding is required.
3. At the option of a PTE, a PTE may agree with the owner that the owner pay the amount that the PTE would have been required to withhold and remit to the Department on behalf of the owner pursuant to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act. The owner remits the tax required to be withheld using a form of payment such as estimated payments or withholding. The owner can also satisfy the terms of the agreement by filing its New Mexico income tax return and paying the tax due. The PTE must have a completed Form RPD-41353, *Owner's or Remittee's Agreement to Pay Withholding on Behalf of a Pass-Through Entity or Remitter*, on file at the time it files its return for the tax year to which the agreement pertains. If the Department notifies the PTE that the owner has failed to remit the required payment, the agreement is no longer acceptable by the Department as reasonable cause for failure to withhold. The PTE is not responsible for withholding on the net income earned in periods that ended prior to the Department's

notification.

4. The owner maintains its place of business or residence in New Mexico:

- If the owner's address on Form 1099-Misc, *pro forma* 1099-Misc or RPD-41359, *Annual Statement of Pass-Through Entity Withholding*, is a New Mexico address;
- If an individual signed Form RPD-41354, *Declaration of Principal Place of Business or Residence in New Mexico*, is on file that the individual is a resident of New Mexico and declaring the physical location of the individual's abode in New Mexico;
- If a corporation, a signed Form RPD-41354, *Declaration of Principal Place of Business or Residence in New Mexico*, is on file that the corporation's principal place of business is in New Mexico, or
- If a corporation incorporated in New Mexico, the corporation's incorporation papers are on file, with sufficient portions of those papers to demonstrate incorporation in New Mexico, or information from the Secretary of State's website indicating that the corporation is a New Mexico corporation in good standing and its address.

5. Documentation is on file showing that the owner is granted exemption from the federal income tax by the United States Commissioner of Internal Revenue as an organization described in Section 501(c)(3) of the Internal Revenue Code, including a copy of the owner's federal Form W-9, or a copy of the determination letter from the IRS. The obligation to deduct and withhold from payments to organizations identified in this paragraph applies if that income constitutes unrelated income.

6. Documentation is on file showing that the owner is the United States, New Mexico or any agency, instrumentality or political subdivision of either;

7. Documentation is on file showing that the owner is a federally recognized Indian nation, tribe or pueblo or any agency, instrumentality or political subdivision thereof;

8. Documentation showing the PTE's inability to make payment of withholding from net income for the tax year due to non-availability of cash or due to contracts and other binding written covenants with unrelated third parties, unless cash payments have been made to any owner during the tax year, in which case the PTE is liable for payment of the withholding amount due up to the extent of the cash payment made during the year;

9. With respect to tax years 2014 through 2018, the PTE has elected pursuant to Section 26 USC 108(i) to defer income from the discharge of indebtedness in conjunction with the reacquisition after December 31, 2008 and before January 1, 2011 of an applicable debt instrument for the period 2014 through 2018 and the entity has insufficient cash to remit the withholding amount due on the deferred income reported in the year.

NOTE: A disregarded entity is NOT a PTE for the purposes of pass-through entity withholding. The PTE can accept from a disregarded entity the agreement or the residency statement to support a valid reason to not withhold.

If you believe that you have a valid reason for not withholding from an owner, other than the reasons listed above, you must obtain approval from the Secretary before you file your return. Please include with your request detailed information to support an alternative reasonable cause for not withholding. To request the Secretary's approval, submit a written request to the Albuquerque District Office at New Mexico Taxation and Revenue Department, Corporate Income Tax Audit Supervisor, P.O. Box 8485, Albuquerque, NM 87198-8485. For assistance call 505-841-6221.

INSTRUCTIONS FOR FID-ES

FIDUCIARY INCOME ESTIMATED TAX PAYMENT VOUCHER

WHO MUST MAKE ESTIMATED PAYMENTS?

Certain trusts and estates who are required to file a New Mexico fiduciary income tax return under the Income Tax Act are required to pay estimated income tax through either withholding or estimated tax payments. **A penalty is imposed for underpayment or nonpayment of estimated tax.**

Exception: Any trust subject to the tax imposed by Section 511 of the Internal Revenue Code or that is a private foundation **IS NOT** required to make estimated payments. With respect to any tax year ending before the date two years after the date of the decedent's death, **NO** estimated payments are required of the estate of the decedent or of any trust all of which was treated under Subpart E of Part I of Subchapter J of Chapter 1 of the Internal Revenue Code as owned by the decedent and to which the residue of the decedent's estate will pass under the decedent's will.

No penalty for underpayment of estimated income tax is due if:

- you are a first-year resident trust or estate;
- your tax for the current year less any amounts withheld is less than \$1,000*;
- the tax liability for the tax year is less than \$1,000, or
- you are a full-year New Mexico resident trust or estate whose previous tax year was a tax year of 12 months, and you owed zero tax for the preceding tax year.

*For tax years beginning on or after January 1, 2012, the penalty for underpayment of estimated tax is not applied if the difference between the tax for the current year, less amounts withheld, is under \$1,000. The threshold for prior year returns was \$500.

An equal amount of the tax withheld shall be considered as paid on each installment due date unless the tax-

payer established the dates on which all amounts were actually withheld. This provision may be applied separately to wage and pension withholding and any other amounts withheld under the Withholding Tax Act.

HOW MUCH ESTIMATED TAX SHOULD BE PAID?

To calculate how much estimated tax should be paid, you must first determine the "**required annual payment**" or the total amount of estimated tax to be paid during the tax year. Once you have determined the required annual payment, then determine the amount and timing for each estimated installment tax payment.

What is the required annual payment? The required annual payment is the lesser of:

1. 90% of the tax shown on the current year return (or the tax for the year, if no return is filed), or
2. 100% of the tax shown on the prior year return, provided a return was filed and the prior year was a full 12-month year.

WHAT IS THE AMOUNT OF THE ESTIMATED INSTALLMENT PAYMENTS AND WHEN ARE THEY DUE?

Generally, four equal installments of the "required annual payment" are due on or before the 15th day of the fourth, sixth, and ninth months of the tax year and the first month following the tax year. For calendar year taxpayers those dates are:

April 15, June 15
September 15, January 15

If any due date for making an estimated payment falls on a Saturday, Sunday, state or national legal holiday, the estimated payment is filed timely if the postmark bears the date of the next business day. Delivery through a private delivery service is considered timely if the date recorded or marked by the private delivery service is on or

before the required mailing date.

SPECIAL RULES APPLY TO CERTAIN TRUSTS OR ESTATES.

There are exceptions to the general rules for determining the timing and amount of each estimated installment payment and for determining receipt of estimated payments. Each exception is described below under *Alternative Methods* for calculation of estimated income tax. Trusts and estates electing to calculate the underpayment penalty using one of these alternative methods must complete question D at the top page 1, FID-1. You need to complete this line **only** if you have elected to use an alternative method for computing estimated tax due. Also see the instructions for completing question D.

ALTERNATIVE METHODS for calculation of estimated income tax.

Annualized income. Trusts and estates with seasonal income can use a modified annualization method to determine the amount and timing of their estimated payments. If a taxpayer does not have annualized income based on actual income received through March 31 sufficient to cause a required payment, then no payment is required. The test dates for subsequent payments are May 31, August 31 and December 31. Based on actual income received, if an estate or trust is not required to make a payment for a specific period, the trust or estate may have to make up later in the year for not paying the earlier installment.

Farm and Ranch income. The law provides a special rule, identical to the federal rule, for a trust or estate when at least two-thirds of GROSS income is from farming or ranching in the prior year. A trust or estate that meets the gross income test may:

- make one estimated payment in the amount of the "required annual payment" on or before January 15 of the year following the tax year of the return, or

- file and pay in full on or before March 1 of the year following the tax year of the return.

Trusts or estates who wish to compute estimated installment payments based on the actual dates on which all amounts of withholding tax were withheld for the applicable tax year. The New Mexico income tax deducted and withheld by an employer is a payment of estimated tax. An equal amount of the tax withheld shall be considered as paid on each installment due date unless the taxpayer establishes the date on which all amounts were actually withheld. This provision may be applied separately to wage and pension withholding and other amounts withheld under the Withholding Tax Act.

HOW DO I CALCULATE PENALTY FOR UNDERPAYMENT OR NON-PAYMENT OF ESTIMATED TAX?

Once you have determined the timing and amount of each estimated installment payment, calculate your underpayment. Underpayment or non-payment of estimated tax is subject to penalty on the difference between the estimated tax payment made and the amount of estimated tax computed to be due. Penalty accumulates from the due date of the estimated tax payment until the earlier of:

1. the date the payment is made, or
2. the 15th day of the fourth month following the close of the tax year.

New Mexico calculates penalty on underpayment of estimated tax at the rate established for individual income tax purposes by the U.S. Internal Revenue Code (IRC)*, computed on a daily basis. The penalty is the daily interest rate for the quarter of the unpaid estimated payment due for each day the payment is late. The formula for calculating daily penalty is:

$$\text{Tax due} \times \text{the daily interest rate for the quarter} \times \text{number of days late} = \text{penalty due.}$$

*Beginning January 1, 2008, interest is computed on a daily basis, at the rate established for individual income tax purposes by the U.S. Internal Revenue Code (IRC). Prior to that date, interest

accrued at the statutory rate of 15% per year, computed on a daily basis.

The IRC rate changes quarterly. The IRC rate for each quarter is announced by the Internal Revenue Service in the last month of the previous quarter. The annual and daily interest rate for each quarter will be posted on our website at www.tax.newmexico.gov. Search the web page for "effective interest rates".

No penalty will be imposed on the fourth estimated payment if the taxpayer files a return and pays the full amount due on or before January 31 following the close of the tax year.

If the balance due is \$1,000 or more, the Department first determines if the required annual payment was made. If it was, no penalty is assessed. If it was not, the Department will calculate the underpayment penalty and issue an assessment. The amount of the assessment can be protested and additional information provided if you believe the assessment is in error.

MAKING PAYMENT ON THE INTERNET

You may also make tax payments by using any of these credit cards--Visa, MasterCard, American Express, or Discover Card--for your online payment. A convenience fee of 2.40% 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.

MAKING PAYMENT BY CHECK OR MONEY ORDER

You must complete a FID-ES payment voucher and mail the voucher and payment to the Department.

COMPLETING THE FID-ES FORM.

Please type or print all entries in blue or black ink. Do not use pencil. Enter the tax year end for which you are making the estimated payment, e.g. 12/31/2014. Please mark the appropriate box for the period to which the estimated payment applies. If the trust or estate is a fiscal year filer, mark the box for the appropriate comparable period. For example, if the trust has a September 30 year end, the first estimated payment is due on the fifteenth

day of the fourth month or January 15. The comparable payment date for a calendar year trust or estate is 1st quarter, April 15. Mark that box. Enter the identifying information for the trust or estate where indicated. Enter the amount of payment remitted with the FID-ES payment voucher.

NOTE: When printing a payment voucher from the Internet, the printer setting "Page Scaling" should be set to 'none' to prevent resizing. The payment vouchers are processed through high-speed scanners. Do not cut the bottom portion of the voucher except where indicated--**cut on the dotted line only**. If your payment voucher has a scanline printed on it, do not write in the area around the scanline. A scanline is located within the bottom 1 -1/2 inch of the voucher.

WHERE TO FILE

Mail the completed FID-ES payment voucher with your check or money order to:

**New Mexico Taxation and Revenue Department
Attn: 2014 FID-ES
P.O. Box 25127
Santa Fe, NM 87504-5127.**

Please write the federal identification number of the trust or estate and "2014 FID-ES" on the check or money order made payable to New Mexico Taxation and Revenue Department. Please do not mail cash. Please **DO NOT** combine a payment of estimated tax with any other payment.

FILING CHECKLIST

Before you mail your return, a quick check will help you avoid common errors that may delay the processing of your return. Complete the following checklist.

- Are name(s) and address complete, correct and legible?
- Is the federal employer identification number legible, accurate and entered where indicated on the form?
- Are all annual statements of income and withholding, Forms W-2, 1099, and other federal income and withholding forms and New Mexico Forms RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*, and RPD-41359, *Annual Statement of Pass-Through Entity Withholding*, attached?
- If required, is Schedule FID-B included?
- Is a copy of federal Form 1041, pages 1 and 2, attached?
- Is the return properly signed and dated?
- Is a contact telephone number and e-mail address included on the bottom of the return?
- Did you submit an original return and make a copy of ALL documents for your records?
- If tax is DUE, did you mail the FID-PV payment voucher **and** check or money order for the full amount to P.O. Box 25127, Santa Fe, NM 87504-5127? Are the federal employer identification number and "2014 FID-PV" written on your check or money order? Make your check or money order payable to New Mexico Taxation and Revenue Department.

New Mexico Taxpayer Bill of Rights

Most tax transactions happen without incident. In an imperfect world, however, occasional disagreements occur through misunderstanding, mathematical error, missed deadlines, misplaced papers, high volume of transactions and many other situations. Over the years the Legislature and the Department have established ways to handle difficulties according to the provisions of the state tax code. Following are some of your rights. Should you wish to consult the law itself, you will find it in Sec. [7-1-4.1 through 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 us according to provisions of Sec. [7-1-24 NMSA 1978];
- The right to have audits, inspections of records and meetings conducted at a reasonable time and place according to Sec. [7-1-

11 NMSA 1978];

- The right to simple, nontechnical information explaining procedures, remedies and rights during audit, protest 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 Sec. [7-1-24 NMSA 1978];
- The right to have your tax information kept confidential unless otherwise specified by law in Sec. [7-1-8 NMSA 1978];
- The right to an abatement of an assessment of taxes incorrectly, erroneously or illegally made (Sec. [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 (Sec. [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 Sec. [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 pay your tax obligations by installment payment agreements according to the provisions of Sec. [7-1-21 NMSA 1978]).

Confidentiality Provisions:

Statutes regulating the confidentiality of your taxes continue to be strict. Sec. [7-1-8 NMSA 1978] requires the department to answer questions

about whether a taxpayer is registered to do business in this state or is registered for other tax programs, but it does not allow employees to reveal whether you have filed a return. A hearing officer's written ruling on questions of evidence or procedure according to Sec. [7-1-24 NMSA 1978] may be made public, but not the name and identification number of the taxpayer requesting the ruling. Now included in public record are 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 payer of the tax. 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 make known to the Gaming Control Board the tax returns of license applicants and their affiliates.

Audit Provisions:

We 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 department hearing officer may not engage as an employee in enforcing or formulating general tax policy other than to conduct hearings. You may request the Secretary to determine if a hearing officer's activities have affected his or her impartiality, and the Secretary may assign the case to another hearing officer. Hearing officers may not communicate unilaterally about a matter you have protested while that matter is still pending. The Secretary may appoint another hearing 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 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 will receive 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 Sec. [7-1-53], the department may enjoin a taxpayer from continuing in business after a hearing and until the delinquency is cleared.

MAKING PAYMENT ON THE INTERNET

Payment for fiduciary income tax may be made using the Internet. Visit the Department's website at www.tax.newmexico.gov and select "Online Services". Payment may be made at no charge by electronic check or via credit card (Visa, MasterCard, American Express or Discover Card). A 2.40% convenience fee is added for credit card payments.

Contact our local offices . . .

Local Taxation and Revenue Department Offices: Local tax offices can provide full service and information about New Mexico's taxes, programs and forms and specific information about your filing situation. If you have questions or require additional information, you may contact your local Taxation and Revenue Department Office.

ALBUQUERQUE:

Taxation & Revenue Department
Bank of the West Building
5301 Central Ave., NE
P.O. Box 8485
Albuquerque, NM 87198-8485
Telephone: **(505) 841-6200**

FARMINGTON:

Taxation & Revenue Department
3501 E. Main Street, Suite N
P.O. Box 479
Farmington, NM 87499-0479
Telephone: **(505) 325-5049**

LAS CRUCES:

Taxation & Revenue Department
2540 S. El Paseo, Building #2
P.O. Box 607
Las Cruces, NM 88004-0607
Telephone: **(575) 524-6225**

ROSWELL:

Taxation & Revenue Department
400 North Pennsylvania, Suite 200
P.O. Box 1557
Roswell, NM 88202-1557
Telephone: **(575) 624-6065**

SANTA FE:

Taxation & Revenue Department
1200 South St. Francis Drive
P.O. Box 5374
Santa Fe, NM 87502-5374
Telephone: **(505) 827-0951**

In addition . . .

Forms, instructions and general information brochures are available on the Department's Internet home page.

Our address is:

www.tax.newmexico.gov

Call (505) 827-0825 in Santa Fe or toll free at (866) 809-2335, select option 4.

E-mail us at cit.taxreturnhelp@state.nm.us.

Electronic Services . . .

You can electronically pay through the Internet.

- **Electronic Check**
- **Tax Payments Using Visa, Mastercard, American Express or Discover***

* 2.40% convenience fee added for credit card payments

Other Internet Services . . .

- **Ask a Question** - Select "Contact Us" at the top of each page.
- **TAP - Taxpayer Access Point** -
Find the status of your refund,
Manage your tax account history, or
Register your business.

Visit the Department's web file service page at:

www.tax.newmexico.gov/Online-Services/Pages/Home.aspx