



# ESTATE TAX REPORT

P.O. Box 25123, Santa Fe, NM 87504-5123

☐ AMENDED☐ ESTIMATED

## Check one of the applicable requirements listed below.

- ☐ If you are filing a Federal Estate Tax Return, Form 706 but there is no New Mexico estate tax liability, complete Sections I, II and III of the New Mexico Estate Tax Report, ETA-1 Form and **attach a copy of the complete Federal Estate Tax Return, Form 706 including all schedules**, to obtain a certificate of no tax.
- ☐ If you are filing a Federal Estate Tax Return, Form 706 and there is a New Mexico estate tax liability, in an amount equal to the federal credit for state death taxes, complete Sections I, II, III and IV of the New Mexico Estate Tax Report, ETA-1 Form and **attach a copy of the complete Federal Estate Tax Return, Form 706 including all schedules**. Enclose a check or money order for the total amount of New Mexico estate tax liability.

<b>SECTION I</b>	Estate of:	Date of Death
Street address of decedent at time of death		Decedent's Social Security Number
City, State, Zip Code		
Check One:	<input type="checkbox"/> Resident <input type="checkbox"/> Nonresident	<b>NOTE:</b> If Federal Form 706 was filed in the state of residence, a copy <b>including all schedules</b> must be submitted with this report.

Name of Executors or Administrators (or Personal Representative)

Address (street, city, state, zip code)

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Name of Attorney Representing Estate	Telephone (      )
Street address, City, State, Zip Code	

<b>SECTION II</b>	Name and location of court where estate is being administered	Court Petition Number
<b>SECTION III</b>	Total gross value of decedent's entire estate including New Mexico (Line 1 of Form 706)	Taxable value of decedent's estate (Line 3 of Form 706) (If zero, please indicate.)

<b>SECTION IV</b>	Complete for all resident decedents having real property in another state, listing schedule letter and item number from Form 706 of property in the other state, OR complete for all nonresident decedents having real property in New Mexico, listing schedule letter and item number from Form 706 of property in New Mexico.
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Percentage of the gross estate in New Mexico	%	<b>NEW MEXICO ESTATE TAX DUE</b>	\$
		<b>ESTIMATED ESTATE TAX</b>	\$
<b>SECTION V</b>		<b>ART ACCEPTANCE ACT CREDIT</b>	\$
		<b>NET NEW MEXICO ESTATE TAX DUE</b>	\$

I declare that I have made diligent and careful search for property of every kind left by the decedent, and that this return including accompanying statements, has been examined by me, and is, to the best of my knowledge and belief true, correct, and complete. If prepared by a person other than the executor or administrator, or personal representative, his declaration is based on all information of which he has any knowledge.

Name of Preparer (individual or firm) other than executor, administrator or attorney (please print)	DECLARATION BY ATTORNEY - I declare that I am the/one of the attorney(s) listed above representing the estate, and that I am currently qualified to practice		
Signature of Preparer	Date	in the State of	
Name of Executor or Administrator (please print)	Name of Attorney		
Signature of Executor or Administrator	Date	Signature of Attorney	Date

# **THE ESTATE TAX ACT, COMPILED AS SECTIONS 7-7-1 THROUGH 7-7-12, NMSA 1978 APPLIES TO ESTATES OF DECEDENTS DYING ON OR AFTER JULY 1, 1973.**

## **RESIDENTS: TAX IMPOSED: CREDIT FOR TAX PAID OTHER STATE**

1. A tax in an amount equal to the federal credit is imposed on the transfer of the net estate of every resident.
2. The State of New Mexico is entitled to the entire portion of the federal state death tax credit, when the decedent is a New Mexico resident whose total gross estate lies entirely within the State of New Mexico. If a New Mexico resident decedent owns real property in another state, then New Mexico is entitled to a percentage of the federal state death tax credit on that portion of the estate which is located in New Mexico. This percentage may be computed by multiplying the federal credit by a fraction, the numerator of which is the value of the property subject to the death tax imposed by the other state and the denominator of which is the value of the decedent's total gross estate.

## **NONRESIDENTS: TAX IMPOSED: EXEMPTION**

1. If a nonresident decedent owns real property in New Mexico, then New Mexico is entitled to a percentage of the federal state death tax credit on that portion of the estate. Any interest in real property in this state belonging to a nonresident decedent is subject to the estate tax. Real property includes royalty interests in oil, gas or similar leases or property interests.
2. For purposes of this section, the following is included as property located in New Mexico.
  - (1) debts arising from transactions in, or having a business situs in, New Mexico; and
  - (2) the securities of any corporation or other entity organized under the laws of New Mexico.
3. The tax shall be computed by multiplying the federal estate tax credit by a fraction, the numerator of which is the value of the property located in New Mexico and the denominator of which is the value of the decedent's gross estate.
4. The transfer of the property belonging to a nonresident is exempt from the tax imposed by this section to the extent that the property of residents is exempt from taxation under the laws of the state in which the nonresident is domiciled.
5. Intangible personal property outside the state belonging to a nonresident decedent is not subject to tax. (Mortgages are considered personal property.)

## **TAX RETURN**

The personal representative of every estate subject to the tax imposed by the Estate Tax Act (7-7-1 to 7-7-12 NMSA 1978) who is required by the laws of the United States to file a federal estate tax return shall file with the Revenue Processing Division on or before the date the federal estate tax return is required to be filed, including any extension of time for filing the federal estate tax return:

1. a return for the taxes due under the Estate Tax Act; and
2. a copy of the federal estate tax return.

## **DATE PAYMENT DUE**

The Estate Tax Report, ETA-1 Form, a copy of the federal estate tax return and payment of the New Mexico estate tax are due on or before the date the federal return is due, nine months from the date of the decedent's death.

## **INTEREST ON AMOUNT DUE: EXTENSION OF TIME TO FILE FEDERAL RETURN**

Interest at the rate of fifteen percent (15%) a year, or 1.25 percent per month or any fraction of a month shall be paid to the state on the amount of tax due under the Estate Tax Act (7-7-1 to 7-7-12 NMSA 1978) from the first day following the day on which payment of the tax would be due. An extension of time, federal or state, does not waive the accumulation of interest.

Interest begins accruing from the first day following the day on which the tax becomes due. Notwithstanding any of the above, if demand is made for payment of any tax, including accrued interest, and if such tax is paid within ten days after the date of such demand, no interest on the amount so paid shall be imposed for the period after the date of the demand. Nothing in this section shall be construed to impose interest on interest or interest on the amount of any penalty.

The director may, for good cause, extend in favor of a taxpayer or a class of taxpayers, the date on which payment of any tax required or on which any return required by provision of the Tax Administration Act must be filed. The state extension of time to file cannot exceed twelve months. The six-month approved federal extension will be honored by the State of New Mexico.

## **CIVIL PENALTY**

In the case of failure to pay tax or file a return due to negligence or disregard of rules and regulations, but without intent to defraud, there shall be added to the amount two percent per month or a fraction thereof from the date the tax was due or from the date the return was required to be filed, not to exceed ten (10%) percent thereof, or a minimum of five dollars (\$5.00), whichever is greater, as penalty, but the five dollar (\$5.00) minimum penalty shall not apply to taxes levied under the Income Tax Act.

## **SECTION V : CREDIT : ART ACCEPTANCE ACT (7-7-15 NMSA 1978)**

Any credit amount taken by the personal representative for estate taxes due must have as attachments, copy of an acceptable appraisal for the art work and a copy of notification of acceptance by the Taxation and Revenue Department accepting a work of art as complete or partial payment of estate tax owed. Any tax due remaining after credit is taken and approved by the Taxation and Revenue Department is due and payable under guidelines of Section 7-7-6 of the Estate Tax Act. If the credit being claimed is reducing the amount of estate tax previously paid in full on an original ETA-1 Form, please designate the ETA-1 Form as "Amended" and attach the document as required.

## **SPECIAL INSTRUCTIONS**

The New Mexico Estate Tax Report, ETA-1 Form, and RP-16, Application for Tax Refund Form, are available at the Taxation and Revenue Department, P.O. Box 25123, Santa Fe, New Mexico 87504-5123. If any adjustment is made in the basis for computation of any federal tax, the estate must file with New Mexico an amended ETA-1 Form within thirty days, complete with a copy of any amended federal return and other required documents.