

**NOTE: ELECTRONIC FILERS**

For the 2016 tax year: **BOTH FILE AND PAY**  
your New Mexico Personal Income Tax on the Internet to  
**EXTEND YOUR DUE DATE** to May 1, 2017.

Taxpayers who do not both file and pay electronically  
**MUST FILE BY APRIL 18, 2017.**

**How To Check the Status of Your Refund**

You can see the status of your refund online. Go to the Department website at [www.tax.newmexico.gov](http://www.tax.newmexico.gov). Near the center of the page, click **Where is my refund?** Then enter your ID (Social Security Number or Individual Taxpayer Identification Number) and refund amount to see the status.

**When To Call About Your Refund**

Before calling about your refund, please allow time for the Department to process your refund claim. Generally, electronically filed returns claiming a refund are processed in two to four weeks. A paper return received in the Department early in the tax season takes six to eight weeks to process. If you file a paper return after March 15, you may not receive your refund for up to 12 weeks.

**What You Need**

When you call or visit us on the web, make sure to have a copy of your tax return and related information.

**Phone Contacts**

For tax information and forms, and general questions about your return, call the toll free number (866) 809-2335, option 3, or (505) 827-0827 if in Santa Fe. You may also contact your local district office.

**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**

**Main switchboard (Santa Fe): (505) 827-0700**

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## Legislative Changes

- **Veterans' Cemetery Fund & Distributions.** Beginning on May 18, 2016, This law amends Section 7-1-6.18 NMSA 1978 to change the name of the Veterans' National Cemetery fund to the Veterans' State Cemetery Fund. The law also amends Sections 7-2-28 and 7-2-28.1 NMSA 1978 to reflect the name change for the fund. The law also repeals Section 7-2-27 NMSA 1978. (2016 Legislative Session, House Bill 185)
- **Conform Income Tax Due Dates With Federal Law.** For tax years beginning on or after January 1, 2016, This law amends the Income Tax Act and the Corporate Income and Franchise Tax Act to conform New Mexico income tax due dates to the due dates that have been instituted at the federal level. This would allow any change to due dates at the federal level to automatically apply to due dates in New Mexico as well. See the more detailed description under the Corporate Income Tax section (2016 Legislative Session, House Bill 249)
- **Disaster Response Tax & Licensure Exemptions.** This law provides for temporary exemptions from taxation and professional licensure for nonresident persons who come into New Mexico for disaster response purposes. The law includes language that allows the nonresident taxpayer to allocate the compensation they receive to that taxpayer's state of residence. (2016 Legislative Session, Senate Bill 19)
- **Sustainable Building Tax Credits.** For tax years beginning on or after January 1, 2017, this law adds a new section to the Income Tax Act creating a "new sustainable building tax credit". The purpose of the sustainable building tax credit is to encourage the construction of sustainable buildings and renovation of existing buildings into sustainable buildings. The credit is allowed for tax years ending on or before December 31, 2026. The credit is calculated based on the certification level the building has achieved.

For a complete list of tax law changes enacted during 2016, see Publication B-100.28, *Legislative Summary: 2016*.

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

**Our address is:**

[www.tax.newmexico.gov](http://www.tax.newmexico.gov)

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### **NEW MEXICO GROSS RECEIPTS TAX**

IF YOU ARE SELF-EMPLOYED, RUN A BUSINESS OUT OF YOUR HOME, OR WORK FOR SOMEONE ELSE BUT DO NOT HAVE WAGE TAXES WITHHELD, you may be required to register with the Department for gross receipts tax. Businesses that sell or lease goods and other tangible property or perform services in New Mexico may be subject to New Mexico gross receipts tax. All businesses having a gross receipts tax reporting obligation must register with the New Mexico Taxation and Revenue Department to obtain a tax identification number, tax reporting forms and instructions. For more information please contact your local Taxation and Revenue Office.

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### **Privacy Notification**

The New Mexico Taxation and Revenue Department requires taxpayers to furnish social security numbers as a means of taxpayer identification. All information supplied electronically by taxpayers is protected using encryption and fire walls. Taxpayer information on returns is protected in accordance with the confidentiality provisions of the Tax Administration Act (Section 7-1-8 NMSA 1978).

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## Tax Rebates and Credits Available to Qualifying Low-income Filers

- ◆ Taxpayers not required to file a federal tax return with the IRS also are not required to file a New Mexico Personal Income Tax return, BUT they may want to do so to claim certain rebates and credits for low-income filers. You may also want to review Schedule PIT-RC and instructions to determine whether you qualify for *any* of the low-income rebates and credits that may be claimed on that schedule. You may also refer to Brochure #2, *Tax Information for New Mexico's Low-Income Filers*, on the Department web page, [www.tax.newmexico.gov](http://www.tax.newmexico.gov). Search for Brochure #2.
- ◆ **Earned Income Tax Credit (EITC)** - You may be eligible for an Earned Income Tax Credit (EITC) from the Internal Revenue Service (IRS) if you are a low-income working individual or family. The EITC reduces your federal tax and may result in a refund from the IRS. To see if you may claim the credit, read the rules in the federal 1040, 1040A, and 1040EZ tax packages or see IRS Publication 596. You may also read about the EITC on the IRS website at [www.irs.gov](http://www.irs.gov) and download the publication there.
- ◆ **Working Families Tax Credit** - A resident who was a New Mexico resident during any part of 2016 and who files a New Mexico personal income tax return may claim a credit in an amount equal to ten percent of the Federal EITC for which that individual is eligible for the same tax year. An individual who qualifies for the working families tax credit may receive a refund if the credit exceeds the income tax liability for the tax year of the claim.
- ◆ **Low-Income Comprehensive Tax Rebate** - Residents of New Mexico who have been physically present in New Mexico for at least six months during the 2016 tax year and whose modified gross income is \$22,000 or less may claim the low-income comprehensive tax rebate. NOTE: You cannot claim this rebate if you were eligible to be claimed as a dependent of another taxpayer for 2016, or you were an inmate of a public institution for more than six months during 2016.
- ◆ **Low- and Middle-Income Tax Deduction** - A personal income tax exemption is offered for low- and middle-income taxpayers. The maximum is \$2,500 for each person claimed as an exemption. The amount varies according to filing status and federal adjusted gross income. Single persons qualify for the exemption when federal adjusted gross income is \$36,667 or less; married persons filing joint returns, surviving spouses and head of household filers qualify when federal adjusted gross income is \$55,000 or less, and married persons filing separate qualify when federal adjusted gross income is \$27,500 or less.
- ◆ **Child Day Care Credit** - New Mexico residents who have a modified gross income of \$30,160 or less, may claim a credit (which may not exceed \$1,200) for expenses for dependent child day care necessary to enable gainful employment. The claimant, and spouse if applicable, must be gainfully employed for that part of the tax year for which the credit is claimed, not be a recipient of public assistance under the Temporary Assistance for Needy Families program (TANF), the New Mexico Works Act or similar program for that part of the tax year for which the credit is claimed, and not have been reimbursed or compensated for the expenses in any way. Other restrictions apply to both the claimant and the caregiver. See the instructions.
- ◆ **Property Tax Rebate** - New Mexico residents age 65 and older, who have a modified gross income of \$16,000 or less, may qualify for the property tax rebate. The property tax rebate helps with tax billed or rent paid on your principal place of residence. The property tax rebate may not exceed \$250 (\$125 for a married taxpayer filing a separate return). The taxpayer must be physically present in New Mexico for at least 6 months during 2016, and neither eligible to be claimed, nor actually claimed, as a dependent of another taxpayer for 2016, and was not an inmate for more than 6 months during 2016.
- ◆ **Property Tax Rebate for Low-Income Residents of Los Alamos or Santa Fe Counties** - A resident whose principal place of residence is in Los Alamos or Santa Fe County only; has a modified gross income of \$24,000 or less; was a resident of New Mexico during 2016; was physically present in New Mexico for at least 6 months during 2016; is neither eligible to be claimed, nor actually claimed, as a dependent of another taxpayer for 2016; and was not an inmate of a public institution for more than 6 months during 2016, may qualify for this rebate. NOTE: The property tax rebate may not exceed \$350 (\$175 for a married taxpayer filing a separate return).

**TAXATION AND REVENUE DEPARTMENT  
P.O. BOX 25122  
Santa Fe, NM 87504-5122**

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State of New Mexico**



# Many Happy Returns when you E-File Your Taxes!

[www.tax.newmexico.gov](http://www.tax.newmexico.gov)

**Fast . . . Easy . . . Secure!**

**A MESSAGE FROM CABINET SECRETARY DEMESIA PADILLA, CPA  
NEW MEXICO TAXATION AND REVENUE DEPARTMENT:**

*I want to encourage all New Mexicans to file their tax returns online -- not only will you receive your refund check faster (usually within four weeks) -- we can also deposit your refund check directly into your personal checking or savings account. E-filing is fast and secure. If speed and convenience isn't enough, you have until May 1, 2017 to e-file your tax return when you also electronically pay your tax. Take advantage of this free and easy service and file your taxes online today by logging on to our website at [www.tax.newmexico.gov](http://www.tax.newmexico.gov).*

*If you don't have access to a home computer or need help filing your tax return, please visit your local Taxation and Revenue office.*

**MANY HAPPY RETURNS!**

[www.tax.newmexico.gov](http://www.tax.newmexico.gov)

# INSTRUCTIONS FOR 2016 PIT-1 NEW MEXICO PERSONAL INCOME TAX RETURN

## CONTACTING THE DEPARTMENT

### How To Check the Status of Your Refund

To obtain the status of your refund you may:

- Go to the Department's home page at [www.tax.newmexico.gov](http://www.tax.newmexico.gov) and click on "Where is my refund?" You will need your SSN or ITIN, and the refund amount to see the status.
- You may also log in to your Taxpayer Access Point account to get more information.

### When to Call

If you don't see the status of your refund using these methods, refer to the processing times below and try again later.

These times determine when you should be able to view the status of your refund.

- For electronically filed returns, please wait 4 weeks before calling the Department. Electronically filed returns are generally processed within 4 weeks or less.
- For paper returns or applications for a tax refund, please wait 12 weeks before calling the Department. Paper filed returns and applications for a tax refund are processed within 8 to 12 weeks.

If sufficient time has passed for your refund to be processed, and you are still not able to review the status of your refund, contact us at (866) 285-2996 or (505) 841-6352.

Note: The New Mexico Taxation and Revenue Department has substantially increased their enforcement efforts to combat IDENTITY THEFT and REFUND FRAUD. This enhanced review process could increase the time it takes to process your tax refund, and additional documentation may be required from you to verify your refund claim. Thank you for your patience and cooperation with our efforts to protect your identities and your tax dollars.

### What You Need

When you call or visit us on the web, make sure to have a copy of your tax return and related information.

### Forms and Instructions

You can find personal income tax (PIT) forms and instructions on our website at <http://www.tax.newmexico.gov/>. At the top of the page, click **FORMS & PUBLICATIONS**.

### Online Services

Taxpayer Access Point (TAP) is a secure online resource that lets you:

- See information about your return, payment, and refund
- Pay existing tax liabilities online
- Check the status of a refund
- Change your contact information
- Register a business

To open TAP, go to:

<https://tap.state.nm.us>, or to the Department's web site and click on **Online Services**.

### Email Contacts

The Taxation and Revenue Department provides several email contacts for you.

To send an email on a specific tax topic directly to the Department's specialists for that topic, go to [www.tax.newmexico.gov](http://www.tax.newmexico.gov). At the top right of the page, click **CONTACT US**.

Email questions about your in-progress PIT return, the instructions, a return you already submitted, or your refund to [TRD-TaxReturnHelp@state.nm.us](mailto:TRD-TaxReturnHelp@state.nm.us).

For general questions about New Mexico taxes, send email to [policy.office@state.nm.us](mailto:policy.office@state.nm.us).

### Phone Contacts

For tax information and forms, and general help with filing your return, call (505) 841-6352 or contact your local district office listed at the front of this

packet. The toll free number is (866) 285-2996, option 3.

To order forms, call (505) 827-2206.

### Mailing Address

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

Personal Income Tax Correspondence  
Taxation and Revenue Department  
P. O. Box 25122  
Santa Fe, NM 87504-5122

If you write us for information or to order forms after April 1, do not expect to receive the forms or a response before the due date of the PIT-1.

### Other Places That Offer Help

Besides the Department district offices that can offer general assistance with taxes and filing your return, help preparing your tax return may be available from:

- Tax Help New Mexico. A free service for people whose household income is \$53,000 or less or those who are 65 years or older.
- American Association of Retired Persons (AARP).
- Some senior citizens' centers. Contact the center for dates and times.
- Some social service agencies. They either provide help or direct you to other free or low-cost tax preparation assistance programs.
- Software preparation services or a tax preparer.

For more information about tax help for senior citizens and low-income filers, please visit [www.tax.newmexico.gov](http://www.tax.newmexico.gov). At the top of the page, click **FORMS & PUBLICATIONS**, click the **Publications** arrow to display the list, and then click the **Brochures** folder.

- For the senior citizen brochure, click **Brochure #1**.
- For the low-income brochure, click **Brochure #2**.



## GENERAL INFORMATION

### WHO MUST FILE

#### WHO MUST FILE A PIT-1 RETURN

New Mexico's law says every person who meets **both** the following conditions must file a PIT-1:

- Every person who is a New Mexico resident or has income from New Mexico sources.
- Every person who is required to file a federal income tax return.

This section covers the following:

- New Mexico Residents;
- Non-Residents;
- Military Servicemembers;
- General Information About Military Servicemembers' Spouses;
- Non-resident Military Spouse Who Lives in New Mexico;
- Resident Military Spouse Who Lives in Another State; and
- Members of Indian Nations, Tribes, or Pueblos.

#### New Mexico Residents

If you are a New Mexico resident, you must file a New Mexico return if you meet **any** of the following conditions:

- You are required to file a federal return.
- You want to claim a refund of any New Mexico state income tax withheld from your pay.
- You want to claim any New Mexico rebates or credits.

#### Non-Residents

If you are a non-resident, including a foreign national or a person who resides in a state without income taxes, you must file in New Mexico when **both** the following are true:

- You are required to file a federal return.
- You have income from any New Mexico source whatsoever.

#### Military Servicemembers

If you are a member of the United States Armed Forces, your income may be taxable to New Mexico and you must file a resident return if **both** the following are true:

- You were a resident of New Mexico

at the time of enlistment.

- You have not changed your legal residence for purposes of withholding state income tax from military pay.

**NOTE:** Military servicemembers may claim a deduction for military active duty pay included in federal adjusted gross income.

If your permanent home (domicile) was in New Mexico when you entered the military, and you kept New Mexico as your legal residence for state withholding tax purposes, you are still a New Mexico resident. Even if you are presently serving outside New Mexico, you must file a New Mexico resident return.

If your permanent home (domicile) was in New Mexico when you entered the military, but you have established domicile in another state and changed your legal residence for withholding state income tax, your military pay is not subject to New Mexico income tax.

If you are an enrolled member of an Indian nation, tribe, or pueblo, your military pay is exempt when your home of record is on the lands of that Indian nation, tribe, or pueblo and the legal residence for state withholding tax purposes has not been changed.

If you are a non-resident, a USPHS servicemember, and you earned income in New Mexico for USPHS active duty, your pay is exempt from New Mexico taxes.

#### General Information About Military Servicemembers' Spouses

Beginning with tax year 2009, the Military Spouses Residency Relief Act allows military servicemembers' spouses, who move to a state solely to join their spouses who are in that state because of military orders, to keep the residency status of their state of domicile.

When this is the case, servicemembers' spouses may allocate to their state of residence their non-military

wages, salaries, tips, and other income from services performed, even if the income was earned in another state.

The following restrictions apply to servicemembers and their spouses:

- Servicemembers must have declared "legal residence for purposes of withholding state income taxes from military pay" in the other state.
- Servicemembers must be in the state in compliance with military orders.
- Servicemembers' spouses must be in the state solely to be with their spouses.

**NOTE:** Non-resident servicemembers must continue to allocate non-military income from services performed to the state where the income was earned.

#### Non-Resident Military Spouse Who Lives in New Mexico

If you are a non-resident of New Mexico who is a qualifying servicemember's spouse living in New Mexico, complete a New Mexico PIT-1 as a non-resident taxpayer and allocate on Schedule PIT-B income from services performed in New Mexico to your state of residence.

A military servicemember's spouse eligible to claim an exempt New Mexico withholding status, based on the Military Spouses Residency Relief Act, must annually submit Form RPD-41348, *Military Spouse Withholding Tax Exemption Statement*, to the employer or payor responsible for withholding New Mexico tax.

Keep a copy of RPD-41348, signed by the employer or payor, in your tax records. Your employer or payor must sign a new RPD-41348:

- Annually **or**
- When your spouse's situation changes.

Do not submit RPD-41348 with your PIT-1 unless the Department requests a copy.

## Resident Military Spouse Who Lives in Another State

If you are a resident of New Mexico who is a qualifying servicemember's spouse living in another state, complete PIT-1 as a resident taxpayer and allocate wages, salaries, tips, and other income from services performed on Schedule PIT-B, as if from New Mexico sources. Do this even if the income was earned in another state.

For details, see *Guidance for New Mexico Resident Military Spouses Claiming Relief From Another State's Income and Withholding Tax Requirements*. This guide for RPD-41348, *Military Spouse Withholding Tax Exemption Statement*, is available at [www.tax.newmexico.gov](http://www.tax.newmexico.gov). At the top of the page, click **FORMS & PUBLICATIONS** and expand the folders, Income Taxes, Personal Income Tax, and Other Personal Income Tax Related Forms.

If you are a part-year or first-year New Mexico resident who is a qualifying servicemember's spouse, allocate income from services performed in New Mexico to New Mexico during periods when you were a resident of New Mexico.

## Members of Indian Nations, Tribes, or Pueblos

The income of Indians who worked or lived on lands outside the Indian nations, tribes, or pueblos of which they are members is subject to New Mexico personal income tax.

You do not need to file a New Mexico income tax return if **both** the following are true:

- You are an enrolled member of an Indian nation, tribe, or pueblo who lived on the lands of the Indian nation, tribe, or pueblo where you are member.
- Your entire income was earned from work on those lands.

If you are the spouse of an enrolled member who lives and works within the boundaries of the member's nation, tribe, or pueblo, your income is taxable unless you are also a member of a New Mexico federally recognized

Indian nation, tribe, band or pueblo.

Lands include formal and informal reservations, dependent Indian communities, and Indian allotments, whether restricted or held in trust by the United States.

**Military Pay.** If you are an enrolled member of an Indian nation, tribe, or pueblo who is a servicemember, your military pay is exempt when **both** the following are true:

- Your home of record is on the lands of that Indian nation, tribe, or pueblo.
- Your legal residence for state withholding tax purposes has not been changed.

**Retirement or Pension.** If you are an enrolled member who lives within the boundaries of your nation, tribe, or pueblo, and your retirement or pension is the result of employment on your Indian nation, tribe, or pueblo, your retirement or pension income is exempt.

You may not exempt retirement or pension income from employment off the lands of the nation, tribe, or pueblo.

## DEFINITIONS

This section gives you definitions of the following terms:

- Domicile;
- Resident;
- First-Year Resident;
- Part-Year Resident; and
- Non-Resident.

For most taxpayers, your resident status for income tax purposes depends on:

- Where you were domiciled during the tax year, and
- Whether you were physically present in New Mexico for a total of 185 days or more during the tax year.

## Definition of Domicile

Your domicile is the place you intend as your permanent home. It is the **state** where your permanent home is located and where you intend to return whenever you are away (as on

vacation, business assignment, educational leave, or military assignment).

**IMPORTANT:** You can have only one domicile.

Your New Mexico domicile is not changed until you can show that you have abandoned it and established a new domicile outside New Mexico.

A change of domicile must be **clear and convincing**. Easily controlled factors are **not** the primary factors to consider when deciding where you are domiciled.

If you move to a new location but intend to stay there only for a limited time (no matter how long), your domicile does not change. If your domicile is New Mexico and you go to a foreign country for a business or work assignment, or for study, research, or any other purpose, your domicile does not change unless you show that you definitely do not intend to return to New Mexico.

## Definition of Resident

For purposes of the Income Tax Act, you are a New Mexico resident if **either** of the following are true:

- Your domicile was in New Mexico for the entire year
- or**
- You were physically present in New Mexico for a total of 185 days or more during the tax year, regardless of your domicile.

**NOTE:** If you moved to New Mexico during 2016 with the intent of making New Mexico your permanent place of residence, see *Definition of First-Year Resident* on the next page.

Residents include persons temporarily residing in New Mexico who plan to return to their out-of-state residence and who are physically present in New Mexico for 185 days or more. Some examples are students, people vacationing in New Mexico, and those temporarily assigned to work in New Mexico.

To determine whether you were physically present in New Mexico for a total of 185 days, count each day you were

here for 24 hours.

For example, you reside in Texas but work in New Mexico and you were physically present in New Mexico for 185 partial days during the tax year. Because you were not here for 24 hours on any day, you are not a resident for New Mexico income tax purposes.

**NOTE:** The 185 days do not have to be consecutive.

If you are a military servicemember temporarily assigned to New Mexico and you established legal residence for purposes of income tax withholding **outside** New Mexico, you are not a resident.

If you are a spouse who accompanies the military servicemember to New Mexico, does not qualify under the Military Spouses Residency Relief Act, and is physically present in New Mexico for 185 days or more, you must report as a resident of New Mexico, regardless of domicile.

#### Definition of First-Year Resident

You are a first-year resident if **both** the following are true:

- You moved to New Mexico during 2016 with the intent of making New Mexico your permanent place of residence.
- You are still in New Mexico on December 31, 2016.

You need not have been physically present in New Mexico for at least 185 days.

If you are a former New Mexico resident who returned to New Mexico and you were a non-resident for at least one full tax year, you may file as a first-year resident.

First-year residents who change domicile during the year are not residents of New Mexico for income tax purposes for periods when the taxpayer's domicile is outside New Mexico.

#### Definition of Part-Year Resident

You are a New Mexico part-year resident if you meet **all** of these conditions:

- You were a New Mexico resident for part of the year.
- You were not physically present in New Mexico for 185 days or more.
- On December 31, you were no longer domiciled in New Mexico and you had moved to another state, intending to maintain domicile status in that other state.

Part-year residents who change domicile during the year are not residents of New Mexico for income tax purposes for periods when the taxpayer's domicile is outside New Mexico.

For example, if you moved to New Mexico during the tax year, intending to make New Mexico your permanent place of residence, your income is taxed as non-resident for the period before your move to New Mexico. Additionally, if you were a New Mexico resident for fewer than 185 days during the tax year, and before December 31 you moved to another state, intending to maintain domicile status in that other state, your income is non-resident income for periods after your move.

#### Definition of Non-Resident

You are a New Mexico non-resident if you were not domiciled in New Mexico for any part of the tax year **and** you were not physically present in New Mexico for at least 185 days.

Military servicemembers and their qualifying spouses who are temporarily assigned to New Mexico, but who have established residence in another state, are non-residents.

**NOTE:** Except for certain military servicemembers, certain military spouses, and first-year residents, in the **Residency status** box 1e on PIT-1, page 1, mark **R** if you were physically present in New Mexico for more than 185 days during the tax year. For income tax purposes you are a resident.

#### ADDITIONAL CONSIDERATIONS

This section describes the following topics to consider when you prepare your PIT-1:

- Residents Domiciled in Another State;

- Refunds, Rebates, and Credits;
- Non-Residents and Royalty Income;
- Representatives of Deceased Taxpayers;
- Pass-Through Entities and S Corporations;
- Estates and Trusts;
- Community Property and Division of Income;
- Married Filing Separately; and
- Innocent or Injured Spouse Relief.

#### Residents Domiciled in Another State

If you are required to file a New Mexico PIT-1 as a New Mexico resident, but you are also required to file and pay tax to another state because your domicile is in another state, complete Schedule PIT-B to allocate and apportion your income to New Mexico. Then, you can claim a credit for taxes paid to another state on PIT-1, line 20, for income taxed by both states.

#### Refunds, Rebates, and Credits

Even if you are not required to file a PIT-1, and if New Mexico income tax was withheld from your pay, the Department recommends that you file for a refund.

You also may qualify for one or more rebates or credits offered by New Mexico. Attach Schedule PIT-RC if you are eligible to claim any of the following:

- Low income comprehensive tax rebate;
- Property tax rebate for persons 65 or older;
- Additional low income property tax rebate for Los Alamos or Santa Fe County residents; or
- New Mexico child day care credit.

To qualify for these rebates or credits, you must meet **all** these requirements:

- You were a resident of New Mexico during the tax year.
- You were physically present in New Mexico for at least six months during the tax year.
- You were **not** eligible to be claimed as a dependent of another taxpayer for the tax year.



- You were **not** an inmate of a public institution for more than six months of the tax year.

Additional eligibility requirements apply to other refundable rebates and credits. If you are eligible to claim any of the following, you may also use Schedule PIT-RC:

- Refundable medical care credit for persons 65 or older; or
- Special needs adopted child tax credit.

For details about eligibility requirements, see the item in the PIT-RC instructions.

### Non-Residents and Royalty Income

If you are a non-resident and you elect to calculate tax on **gross** royalty income under \$5,000, instead of filing a complete PIT-1 and PIT-B, in the box on PIT-1, line 18a, mark **Y**.

This lets the Department know you have gross royalty income under \$5,000 from New Mexico sources; you do not have any other income sourced to New Mexico; and you elected to calculate New Mexico income tax due based on the **gross** royalty income you received.

To complete the PIT-1 return using this election, do the following:

- Complete lines 1 to 8.
- Leave lines 9 to 16a blank.
- On line 17, enter your total **gross** royalty income from New Mexico sources.
- Using the instructions, complete lines 18, 22, and 23, and then lines 27 to 42.

When you calculate your tax based on gross royalty income, you cannot reduce your income by the standard deduction or exemption amounts, or with any credits.

### Representatives of Deceased Taxpayers

If a taxpayer dies before filing a return for 2016, the taxpayer's spouse or personal representative may need to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone in charge of the deceased taxpayer's

property.

**IMPORTANT:** If the deceased taxpayer is not required to be entered on the federal or New Mexico return, do not enter the deceased taxpayer's name.

If a taxpayer did not need to file a federal return, but New Mexico income tax was withheld, the representative must file a New Mexico return to claim a refund. If a joint federal income tax return was filed for the deceased taxpayer and the surviving spouse, file a joint New Mexico return.

**Dates.** The filing date for the return of a deceased taxpayer is the same as if the taxpayer had lived the entire year.

The person who files the return for the deceased enters the month, day, and year of death on PIT-1, line 4c or 4d. A copy of the death certificate is required to be submitted with the PIT-1.

**Refunds.** If the refund check must be made payable to someone other than the surviving spouse or to the estate of the taxpayer, enter the claimant's name and social security number on lines 4a and 4b. If the return shows an overpayment, and you are a court-appointed or certified personal representative requiring the refund made payable to you, enter your name and social security number on lines 4a and 4b.

If requesting the refund to be made payable to a person other than the taxpayer or to the estate of the taxpayer, you must attach **both of** the following to the taxpayer's refund claim:

- Form RPD-41083, *Affidavit to Obtain Refund of New Mexico Tax Due a Deceased Taxpayer*; **and**
- A copy of the death certificate or other proof of death.

### Pass-Through Entities and S Corporations

Partnerships and other pass-through entities, including limited liability partnerships (LLPs) and limited liability investment companies (LLICs), are not subject to New Mexico income tax. However, individual members of the LLP or LLIC are subject to New

Mexico income tax.

If the entity has any partner or owner who is a New Mexico resident, or if the entity has any income from New Mexico sources, it must provide to each partner or owner the information necessary to file a New Mexico income tax return.

Beginning January 1, 2011, withholding from owners and from members or partners (both of which are also considered owners) of a pass-through entity (PTE) is required. PTEs are required to withhold, from the owner's share of the PTE's allocable net income earned in the year, at the rate of 4.9%. The pass-through entity pays and reports the withholding on Form RPD-41367, *Annual Withholding of Net Income From a Pass-Through Entity Detail Report*.

Certain exceptions apply to the withholding requirement. PTE records must maintain documentation to establish the PTE had reasonable cause for not withholding. A complete list of exceptions is provided in the instructions for RPD-41367.

A PTE must file the annual PTE return, and an S corporation must file the S-Corp return. For details, see the instructions for those returns.

### Estates and Trusts

Estates and trusts are subject to New Mexico personal income tax. The fiduciary for an estate or trust files FID-1, *Fiduciary Income Tax Return*.

Even if the estate or trust itself was not required to file a FID-1, each beneficiary of the estate or trust must include the beneficiary's share of the estate or trust income on the New Mexico PIT-1. For details, see the instructions for FID-1.

### Community Property and Division of Income

New Mexico is a community property state. Unless the property is separate property, all assets and liabilities acquired during a marriage are the community property of both spouses. Debt established during a marriage is the liability of both spouses, even

after the marriage is dissolved. Debt established before or after a marriage is considered separate debt, and only 50% of community property may be pursued to clear separate debt.

When a couple files married filing separately, each spouse reports 50% of community income and all income generated from the separate property of the spouse who owns the property.

A spouse may not need to report half of certain combined community income (such as wages, salaries, professional fees, pay for professional services, partnership income, trade or business income, and social security benefits), if **all** the following conditions exist:

- You and your spouse lived apart all year.
- You and your spouse did not file a joint return.
- You and your spouse had wages, salaries, and professional fees that are community income.
- You and your spouse did not transfer (directly or indirectly) any wages, salaries, or professional fees between you and your spouse during any part of the year.

If you meet all of the above criteria, report half the total of all other types of community income (such as dividends, rents, royalties, or gains). For details, see FYI-310, *Community Property, Divorce, Separation and Your New Mexico Income Tax*.

### **Married Filing Separately**

Both your New Mexico return and your federal return must show a correct division of community and separate income and payments if **any** of the following are true:

- You are a married person filing

separately.

- You were separated or divorced during the year.
- You are a married person filing jointly.
- You are claiming the exemption for income of persons 100 years or older.

If your income and payments are not evenly distributed, attach a copy of a statement showing the correct division of community and separate income and payments.

See also the PIT-B instructions for the allocation and apportionment rules for community property when:

- One spouse is a resident (but not both spouses).
- The couple is filing a joint return.
- The couple has income from sources both in and out of New Mexico.

### **Innocent or Injured Spouse Relief**

If you believe your spouse is solely responsible to pay a joint federal tax liability due to an understatement of tax, divorce, or separation, you may be eligible to claim Innocent Spouse Relief, Separation of Liability, or Equitable Relief from the Internal Revenue Service (IRS).

If you file a joint tax return and you expect all or part of your portion of the overpayment for community property to be applied to (to offset) your spouse's legally enforceable past-due liability, you may be eligible to claim Injured Spouse Relief from the IRS. For information, see IRS Publications 971, *Innocent Spouse Relief*, and 504, *Divorced or Separated Individuals*. Although state law prohibits the Department from forgiving state taxes due, the Department Secretary has

discretion to decline to bring collection action against an "innocent or injured spouse" when it is unfair to hold that spouse liable.

If the IRS grants relief in writing to you, you may provide that documentation to the Department and request the Department to decline to bring or to cease collection action against you to the extent the IRS granted the relief to you.

Additionally, you may request the Secretary not to bring collection action against you for **any** of the following:

- Liabilities established by your spouse, when the income that established the liability was not claimed as community property.
- Your spouse's separate debt, when you expect your part of community property to be offset to clear the debt.
- Business-related debt, when you can show you had no knowledge of the business and you did not benefit from the business, and the income from the business was not claimed as community property.

To request relief from the Department, submit a written request with proof that you qualify for relief to New Mexico Taxation and Revenue Department, P.O. Box 630, Santa Fe, NM 87504-0630, or to your local district office. The addresses of the district offices are listed inside the front cover of this packet.

**IMPORTANT:** Do not attach the request for Innocent or Injured Spouse Relief to your PIT-1.

**FILING ON PAPER OR FILING ELECTRONICALLY**

You can file your PIT-1 on paper or electronically. Both options are described here to help you choose the most convenient method.

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

**Benefits of Filing Electronically**

The Department encourages you to file electronically whenever possible. Electronic filing is fast and secure, and it provides these benefits:

- You receive your refunds faster.
- The state saves tax dollars in processing costs.
- Filing is free on the Department website.
- If you both file and pay electronically, your filing deadline is extended.

For more about deadlines, see *When and Where to File and Pay* on page 14.

**WHERE TO GET PAPER TAX FORMS**

The Department provides PIT-1 forms and schedules you can fill out by hand and mail back to the Department. You can get these tax forms in person, by phone, or by downloading them from the Department website.

**In Person**

Ask for forms at the Department's local district offices listed inside the front cover of this packet. Some local libraries also may carry New Mexico tax forms.

**By Phone**

Order forms by calling the Department at (505) 827-2206.

**Downloading Forms and Instructions**

To download tax forms from the Department website, follow these steps:

1. Go to [www.tax.newmexico.gov](http://www.tax.newmexico.gov).
2. In the black navigation bar at the top, click **INDIVIDUALS**.
3. On the left side, click **Personal Income Tax Forms**.

**USING TAX SOFTWARE**

Many companies sell software products with tax forms approved by the Department. You can buy these products to complete your income tax return on your personal computer. After completing the forms, you can electronically file or print and mail your tax return to the Department.

**File Department-Approved Forms**

Always submit your PIT-1 on official state forms provided or approved by the Department. If you use a software product to generate your forms, the Department must first have approved the software company's forms.

The Department approves forms from companies that follow our specifications and format requirements for the electronic file. Acceptance of a software company and its forms does not imply endorsement by the Department or assurance of the quality of the company's services. The Department:

- Does not review or approve the logic of specific software programs.
- Does not confirm calculations on forms produced by these programs.

The accuracy of the software program remains the responsibility of the software company, developer, distributor, or user.

For a list of companies and products with PIT-1 forms approved by the Department, follow these steps:

1. Go to [www.tax.newmexico.gov](http://www.tax.newmexico.gov).
2. In the black navigation bar at the top, click **TAX PROFESSIONALS**.
3. On the left under **Tax Professionals**, click **Software Developers**.
4. Under **Helpful Documents**, click **Approved Software Developers for the Reproduction of 2016 New Mexico Tax Forms**.

You can also call (505) 827-0910 to get the information.

**CAUTION:** Submit only high-quality, printed, original PIT-1 forms and schedules to the Department. A poor print or photocopy of a form from an

approved software product or from our website delays processing your return and your refund, credit, or rebate.

**Check the Print Quality**

When using any computer-generated PIT form, you must comply with the printing and legibility requirements of the software company. If your printer can clearly print a logo, it can print a quality tax form.

**IMPORTANT: File Returns on Approved State Forms.**

Always submit 2016 Personal Income Tax Returns on official state forms provided by or approved by the Department. Never submit a return with a form that has been **photocopied** or **photo shopped** as it will not be accepted.

**ABOUT ELECTRONIC FILING**

The Department offers two ways to file your PIT-1 electronically. Each way lets you file either a refund return or a tax-due return. You can file through the Department website or through the Federal/State Electronic Filing Program.

For details, see *Using the Federal/State Electronic Filing Program (Fed/State)* later in this section.

**Restrictions**

Depending on the electronic filing software, certain restrictions may apply to who may file and the types of returns eligible for electronic filing. The Department and IRS websites listed in this section provide information about your PIT electronic filing options, including details about Internet browser requirements.

If you plan to have a professional tax preparer file your return electronically, you may want to contact the preparer for more information about electronically filing.

**USING THE DEPARTMENT WEBSITE**

If you have access to the Internet from a personal computer, free electronic filing is available on the Department's website. However, if any of these situations is true, you cannot use the

website:

- You are a fiscal year filer.
- You are married filing jointly, and you or your spouse are dependents of another taxpayer.
- You have income from sources inside and outside New Mexico and you are claiming an additional amount of tax on a lump-sum distribution by filing federal Form 4972 and Schedule PIT-B.

In these situations, you must file on paper or electronically with an alternative software product.

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

1. Go to <https://tap.state.nm.us>.
2. Under **FOR INDIVIDUALS**, click **File a 2016 Return**.
3. After you complete all your entries, click **Submit** to file.
4. Enter your password and click **OK** to display your confirmation number.
5. Print the page showing your confirmation number as proof and verification that you filed online.
6. Click **Print** to print a copy of your return for your records.

**IMPORTANT:** Do not mail the confirmation page or the return you filed online to the Department.

For help with TAP, send email to [TRD-Customerassistance@state.nm.us](mailto:TRD-Customerassistance@state.nm.us).

### Refunds

If you are due a refund, you may choose to receive a check or have the refund deposited directly into your checking or savings account.

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

### Paying Your Taxes

If you owe tax, you can use any of these credit cards—Visa, MasterCard, American Express, or Discover Card—for your online payment. You can also pay by electronic check, or mail a check or money order to the Department with a PIT-PV Payment Voucher.

**NOTE:** 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. There is no charge for an electronic check.

Make your check or money order payable to New Mexico Taxation and Revenue Department. Mail the PIT-PV with your payment to the New Mexico Taxation and Revenue Department, P.O. Box 8390, Santa Fe, NM 87504-8390.

### USING THE FEDERAL/STATE ELECTRONIC FILING PROGRAM

The Fed/State program, administered by the IRS, lets you electronically file your federal and state tax returns together or separately. You can file a Fed/State return through an online home tax filing program on a personal computer or through a professional tax preparer.

#### Fed/State Online Home Filing Program

This method of filing requires access to the Internet, where you can reach companies that offer Fed/State e-file services and tax preparation software. You can also buy over-the-counter software to file your taxes online.

#### Partnership Agreements

To encourage electronic filing, the IRS has partnership agreements with many companies. On the IRS website is a list of companies that provide tax preparation software and Fed/State e-file opportunities, with descriptions

of their products, services, and costs. The IRS e-file provider page also lists the companies that participate in free Internet filing for low income and other qualified individuals.

For more information about the companies that participate in the Fed/State e-file program, visit the IRS website at [www.irs.gov](http://www.irs.gov).

**IMPORTANT:** If you want to use one of the Fed/State e-file service providers listed on the IRS website to e-file your state return, additional charges may apply. You can, however, go to the Department website to file your state return at no charge.

When using one of the Fed/State e-file service providers on the IRS website to e-file your state return, make sure the IRS partner software company supports New Mexico 2016 personal income tax electronic filing.

### Do Not Combine IRS and State Payments

When paying your taxes through the Fed/State program, make separate payments to the IRS and to the State of New Mexico. Do not combine your payments to the IRS and to the state. Follow the online instructions to make sure your payment goes to the proper taxing authority.

**IMPORTANT:** Fed/State program payment processing does not support payments from savings accounts.

#### Filing by a Professional Tax Preparer

The Fed/State electronic filing service is also available through tax professionals who meet IRS and Department qualifications for acceptance into the Fed/State program. Ask professional tax preparers whether they have Fed/State approval.

**NOTE:** Professional preparers usually charge for their services.



Regardless of which federal personal income tax return you file, **every person** required to file a New Mexico personal income tax return must complete and file a **PIT-1**. Depending on your residency status and your personal situation, you may be required to file other forms and schedules.

## REQUIRED FORMS AND ATTACHMENTS

### PIT-1 REQUIRED

Regardless of which federal return you file, **every person** who files a New Mexico personal income tax return must complete and file a PIT-1, *New Mexico Personal Income Tax Return*.

Depending on your residency status and your personal situation, other forms and schedules may also be necessary to attach to and file with your PIT-1. These forms and schedules are described next.

### PIT-S FOR OVER 5 DEPENDENTS

If you have **more than** five qualifying dependent exemptions, file a PIT-S, *Supplemental Schedule for Dependent Exemptions in Excess of Five*. Enter the first five dependents on PIT-1, line 8. Then enter your additional dependent exemptions on Schedule PIT-S.

**IMPORTANT:** Do not file Schedule PIT-S unless you filled in the five dependent lines on PIT-1, line 8, and you need additional lines for more than five qualifying dependent exemptions.

### PIT-ADJ TO ADJUST INCOME

If you are required or eligible to make New Mexico adjustments to your income, complete and attach Schedule PIT-ADJ, *Schedule of Additions, Deductions, and Exemptions*, to your PIT-1.

If you have **any** of the following additions to federal adjusted gross income, file PIT-ADJ:

- Interest and dividends from federal tax-exempt bonds,
- A federal net operating loss carryover,
- Contributions refunded when closing a New Mexico-approved Section 529 college savings plan account,
- Certain contributions rolled out of a New Mexico-approved Section 529

college savings plan account,  
**or**

- A charitable deduction claimed on federal Form 1040, Schedule A for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were allowed the New Mexico land conservation tax credit.

If you received **any** of the following income not taxable by New Mexico, or if you qualify for **any** of the following deductions or exemptions, file PIT-ADJ:

- You have interest and dividend income on New Mexico state and local bonds.
- You have a New Mexico net operating loss carryover.
- You have interest income from U.S. Government obligations.
- You have Railroad Retirement income not taxable by New Mexico.
- You have Railroad Unemployment Insurance Act sick pay.
- You, your spouse, or both are members of an Indian nation, tribe, or pueblo and your income was wholly earned on the lands of the reservation or pueblo of which the individual is an enrolled member while domiciled on that reservation, tribe, or pueblo.
- You, your spouse, or both are age 100 or over and not dependents of another taxpayer.
- You, your spouse, or both are age 65 or over or blind, and your adjusted gross income is not over \$51,000 for a joint return; \$28,500 for a single taxpayer; or \$25,500 for married taxpayers filing separately.
- You have federally taxable contributions to or distributions from a New Mexico medical care savings account.

- You contribute to a New Mexico-approved Section 529 college savings plan.
- You have net capital gains for which you can claim a deduction of up to \$1,000 or 50% of your net capital gains, whichever is greater.
- You have armed forces wages or salary from active duty service.
- You, your spouse, or both are age 65 or over, and you have unreimbursed or uncompensated medical care expenses of \$28,000 or more for yourself, your spouse, or dependents.
- You, your spouse, or dependents have expenses related to donating human organs for transfer to another person.
- You received a reimbursement from the New Mexico National Guard servicemember's life insurance reimbursement fund.
- You were required to include in your federal adjusted gross income taxable refunds, credits, or offsets of state and local income tax (see Form 1040, line 10).
- You are a non-resident, a USPHS servicemember, and you earned income in New Mexico for USPHS active duty pay.

### PIT-CR TO CLAIM NON-REFUNDABLE CREDITS

If you want to claim any of the following non-refundable credits, file PIT-CR, *New Mexico Business-Related Income Tax Credit Schedule*. If you are claiming more than five credits, also file PIT-CR Supplemental, *New Mexico Supplemental Business-Related Income Tax Credit Schedule*.

- Preservation of cultural property credit or business facility rehabilitation credit for restoring, renovating, or rehabilitating a historic structure or a qualified business facility;
- Rural job tax credit for employers

who create additional jobs in rural areas;

- Technology jobs and research and development (additional) tax credit for expenses in conducting qualified research and development;
- Electronic card-reading equipment tax credit purchased by businesses for age verification;
- Job mentorship tax credit for employing youth participating in a school-sanctioned, career preparation education program;
- Land conservation incentives credit for donations of land or interest in land certified as eligible for treatment as a qualified donation for conservation purposes by the Secretary of the Department of Energy, Minerals and Natural Resources;
- Affordable housing tax credit for persons who have invested in an affordable housing project approved by the Mortgage Finance Authority (MFA);
- Solar market development tax credit for individuals who have purchased and installed certain qualified photovoltaic or solar thermal systems in their residence, business, or agricultural enterprise in New Mexico;
- Blended biodiesel fuel tax credit for companies that blend and distribute motor fuels containing at least 2% biodiesel;
- Sustainable building tax credit for building or renovating residential or commercial buildings into sustainable buildings;
- Angel investment credit for certain qualifying investments in high-technology or manufacturing businesses;
- Rural health care practitioners tax credit for health care practitioners who provide health care in an approved rural health care underserved area;
- Agricultural water conservation tax credit for expenses incurred for eligible improvements in irrigation systems or water management methods used to produce agricultural products, harvest or grow trees, or sustain livestock;

- Advanced energy tax credit for construction of advanced energy facilities, such as solar thermal electric generating, advanced technology coal generating, or recycled energy;
- Geothermal ground-coupled heat pump tax credit for the purchase and installation of a geothermal ground-coupled heat pump in a residence, business, or agricultural enterprise in New Mexico;
- Agricultural biomass tax credit for owners of a dairy or feedlot for each wet ton of agricultural biomass transported to a facility that uses the agricultural biomass to generate electricity or to make biocrude or other liquid or gaseous fuel for commercial use;
- Approved film production tax credit for certain production and post-production expenditures made in New Mexico for an eligible film production company;
- Cancer clinical trial tax credit for oncologists who supervise patients participating in a cancer clinical trial beginning on or after January 1, 2012, but before January 1, 2016;
- Veteran employment tax credit for taxpayers who employ a qualified military veteran in New Mexico and who file a personal or corporate income tax return for a tax year beginning on or after January 1, 2012, and ending before January 1, 2017; **or**
- Renewable energy production tax 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.

#### **PIT-RC TO CLAIM REFUNDABLE CREDITS**

If you want to claim **any** of the following refundable credits, file PIT-RC, *New Mexico Rebate and Credit Schedule*:

- Low income comprehensive tax rebate,
- Property tax rebate for low income persons 65 or older,
- Additional low income property tax

rebate for Los Alamos or Santa Fe County residents,

- New Mexico child day care credit,
- Refundable medical care credit for persons 65 or older, **or**
- Special needs adopted child tax credit.

#### **PIT-B TO ALLOCATE AND APPORTION INCOME**

To allocate and apportion income received from employment, business, or property sources located inside and outside New Mexico, file PIT-B, *Schedule of New Mexico Allocation and Apportionment of Income*, with your PIT-1.

#### **PIT-D TO DONATE OVERPAYMENT**

If you want to contribute to one or more voluntary contribution funds from an overpayment on your return, file PIT-D, *Schedule for New Mexico Voluntary Contributions*.

#### **FOR EXTENSION OF TIME TO FILE**

If you have an approved state or federal extension of time to file, complete PIT-1, 6a and 6b.

**IMPORTANT: Do not** attach a copy of a federal extension request that is automatically granted, or a copy of an approved state extension.

If the IRS grants you an **additional** extension (additional to an automatically granted federal extension), attach a copy of the approved **additional** extension.

If you qualify for a special federal extension, check the Department website to determine whether New Mexico offers a similar extension and to find out how to take the extension.

For military servicemembers deployed in a combat zone who qualify for a federal or state extension, see the special instructions about required attachments and other information in publication FYI-311, *Military Extensions for New Mexico Personal Income Tax*.

For more information about extensions, see *Extension of Time to File*

on page 15.

## PAYMENT VOUCHERS

When paying by check or money order, make sure to use the correct payment voucher. The payment voucher must indicate the correct tax year of the return to which you want the payment to apply.

The Department supports the fast and secure filing of electronic payments with PIT-PV, PIT-EXT, and PIT-ES, described next.

To print copies of vouchers, go to <http://www.tax.newmexico.gov>. At the top of the page, click **Forms & Publications**. When you see the list of folders, click **Income Taxes**, click **Personal Income Tax (PIT) – Current Year**, click **Personal Income Tax Return Forms**, and then click the voucher you want to print.

For more information about payment vouchers, see page 15 of these instructions.

### PIT-PV, Personal Income Tax Payment Voucher

If your return shows a balance due and you choose to pay by mail or delivery to one of our local offices, you must complete the PIT-PV payment voucher and include it with your check or money order. Also include PIT-PV when submitting your payment with your return.

**IMPORTANT:** On all checks and money orders, write your social security number, **PIT-PV**, and the tax year.

### PIT-EXT, Personal 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 PIT-EXT payment voucher to make an extension payment by mail or delivery.

When you have an extension of time to file your return, and if you file your return and pay the tax shown on the return by the extended due date, the Department waives (through the extension period) penalty for failure to file and pay.

However, even if you obtain the extension, interest continues to accrue. If you expect to owe more tax when you file your 2016 return and you want to avoid accrual of interest, make a payment using the 2016 PIT-EXT payment voucher.

### PIT-ES, Estimated Tax Payment Voucher

To make estimated tax payments by mail or delivery, complete a PIT-ES payment voucher. Include the voucher with your check or money order.

**IMPORTANT:** On all checks and money orders, write your social security number, **PIT-ES**, and the correct tax year for the quarter. For example, when filing your fourth quarter estimated tax payment for tax year 2016 due January 15, 2017, make sure the tax year is 2016 on the PIT-ES.

Never combine payments of tax due on your 2016 return and 2017 estimated income tax liability on the same check or money order. If you combine payments, it is likely they will not be credited to your account in the way you want.

**IMPORTANT:** When using a payment voucher, make sure you use the correct one (PIT-PV, PIT-EXT, or PIT-ES) and make sure the voucher shows the correct tax year of the return to which you want the payment to apply.

### PIT-X FOR AMENDED RETURNS

Any change to New Mexico taxable income, credits, or rebates, and changes to federal taxable income require an amended New Mexico PIT-X for the same year. For tax years beginning on or after January 1, 2016, but not after December 31, 2016, file an amended return on the 2016 PIT-X, *Personal Amended Income Tax Return*.

If your New Mexico amended return reports changes as the result of filing an amended federal return, attach copies of the applicable federal forms and schedules. In all cases, indicate the reason for amending your return on PIT-X, page 2.

**NOTE:** The law requires you to file an amended New Mexico return within

180 days of the date an adjustment to your federal return becomes final.

### Which PIT-X To Use From 2005 On

For tax years beginning on a date after January 1, 2005, but before December 31, 2010, you must file an amended return on the PIT-X specific to the tax year of your original return.

For tax years beginning before January 1, 2005, file amended returns using the form for the appropriate tax year. Mark the **Amended** box or, if the form does not have the box, write **Amended** at the top of the form.

**IMPORTANT:** For tax years before 2005, do not file an amended return on a PIT-X even if indicated in the instructions for the tax year. The Department cannot accept a return filed on a PIT-X return for a year before January 1, 2005.

### What To Submit With PIT-X

When submitting an amended return, you must also submit **all** Schedules PIT-S, PIT-ADJ, PIT-CR, PIT-RC, PIT-B, and PIT-D to support your entries on the PIT-X, even if they did not change from the original version.

Unless you are amending your New Mexico return to change the amount of withholding reported, you do not need to file forms W-2 and other income and withholding information returns (such as 1099-MISC and RPD-41359).

**IMPORTANT:** Carefully follow the PIT-X instructions.

### OTHER FORMS OR ATTACHMENTS YOU MIGHT NEED TO FILE

This section describes the forms and attachments you might need to file with your PIT-1. The two tables on pages 13 and 14, *Attachments Required to Claim PIT-CR Business-Related Tax Credits*, and *Attachments Required to Claim PIT-RC Rebates and Credits*, lists the requirements for other rebates and tax credits. The following items are also described in this section:

- All annual information returns and withholding statements
- Refund for a deceased taxpayer
- Statement of division of community



and separate income and payments

- Unused New Mexico net operating loss carryforward from a previous year
- RPD-41272 to use alternative method for penalty
- PIT-110 for non-resident income adjustment
- Schedule CC for non-resident using alternative tax method
- PIT-8453 for electronic filing and transmittal
- RPD-41338 to waive preparer filing requirement

### Federal Income Tax Return

The Department may require you to furnish a true and correct copy of your federal income tax return and its attachments after you file your return. Generally, you do not attach your federal return to your PIT-1.

If, however, you have a combined loss of over \$40,000, from one or more of the following federal forms and schedules, attach to Form PIT-1, your federal Form 1040, pages 1 and 2, and the federal Form 1040 Schedules showing the loss or losses taken on Form 1040.

- Form 1040, Schedules C or C-EZ for business income or loss
- Form 1040, Schedule D for capital gains or loss
- Form 1040, Schedule E for rental real estate, royalties, partnerships, S corporations, trusts, income
- Form 1040, Schedule F for farm income or loss
- Form 4797, Other gains or losses

### All Annual Information Returns and Withholding Statements

Attach to your PIT-1 a copy of each of your annual information returns and withholding statements showing income and New Mexico income tax withheld. Include all federal Forms W-2, 1099, 1099-MISC, 1099-R, and W-2G, and New Mexico Form(s) RPD-41359, *Annual Statement of Pass-Through Entity Withholding*, and RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*.

### Credit for Taxes Paid to Another

### State

If you are claiming the credit for tax paid to another state on PIT-1, line 20, attach the other state's income tax return and the *Worksheet for Computation of Allowable Credit for Taxes Paid to Other States by New Mexico Residents*, to your PIT-1 return.

### Refund for a Deceased Taxpayer

When requesting a refund for a deceased taxpayer, enter the date of death on the PIT-1 form and the refund will automatically be made payable to the taxpayer's spouse or, if no spouse, to the estate of the deceased taxpayer. If a refund should be made payable to a person other than the surviving spouse or to the estate of the deceased, use RPD-41083, *Affidavit to Obtain Refund of New Mexico Tax Due a Deceased Taxpayer*. In all cases, provide a copy of a death certificate or other proof of death.

### Statement of Division of Community and Separate Income and Payments

If your income and payments are not evenly distributed, and if **any** of the following are true, attach a statement reflecting a correct division of community and separate income and payments:

- You and your spouse are filing separate returns.
- You divorced during 2016.
- You or your spouse, but not both, claim the exemption for income of persons 100 years or older.
- You or your spouse, but not both, are residents of a community property state.

Community property states are New Mexico, Arizona, California, Idaho, Louisiana, Nevada, Texas, Washington, and Wisconsin.

### Unused New Mexico Net Operating Loss Carryforward from a Previous Year

To apply an unused New Mexico net operating loss carryforward amount from a previous year, use RPD-41369, *Net Operating Loss Carryforward Schedule*, to show the tax year when each net operating loss occurred. List on the schedule each loss for each

tax year for which the loss was carried forward, including 2016.

### RPD-41272 to Use Alternative Method for Penalty

If you qualify for and have elected to use an alternative method of computing penalty on estimated payments, and you marked the box on PIT-1, line 35, complete and attach 2016 RPD-41272, *2016 Calculation of Estimated Personal Income Tax Underpayment Penalty*.

### PIT-110 to Adjust Non-Resident Income

If you are a non-resident whose job is located in New Mexico but requires temporary assignment outside New Mexico, complete and attach PIT-110, *Adjustments to New Mexico Income*.

### Schedule CC for Non-Residents Using the Alternative Tax Method

If you are a non-resident who qualifies to pay tax using an Alternative Tax Method, complete and attach Schedule CC, *Alternative Tax Schedule*.

Schedule CC is for taxpayers who:

- Have no business activities in New Mexico other than sales,
- Do not own or rent real estate in New Mexico, **and**
- Have annual gross sales in or into New Mexico of \$100,000 or less.

### PIT-8453 for Electronic Filing and Transmittal

Paid tax preparers, Electronic Return Originators (EROs), or other third-party transmitters who electronically transmit New Mexico personal income tax returns on behalf of taxpayers, use a tax software program, or file through the New Mexico website, must complete PIT-8453, *2016 Individual Income Tax Declaration for Electronic Filing and Transmittal*. These transmitters must maintain in their records the taxpayers' signatures.

PIT-8453 authorizes electronic transmission of the tax return, authenticates the electronic part of the return, and under certain circumstances provides a transmittal for additional supporting documentation.



## Attachments Required to Claim PIT-CR Business-Related Tax Credits

To claim these PIT-CR credits	Attach PIT-CR and these items (If you are claiming over five credits, also attach PIT-CR Supplemental.)
Affordable housing tax credit	RPD-41301, <i>Affordable Housing Tax Credit Claim Form</i> , and a copy of voucher(s) issued by Mortgage Finance Authority (MFA).
Angel investment credit	RPD-41320, <i>Angel Investment Credit Claim Form</i> and copy of the certificate of eligibility from New Mexico Economic Development Department.
Agricultural water conservation tax credit	RPD-41319, <i>Agricultural Water Conservation Tax Credit Claim Form</i> .
Advanced energy tax credit	RPD-41334, <i>Advanced Energy Tax Credit Claim Form</i> .
Agricultural biomass tax credit	RPD-41361, <i>Agricultural Biomass Tax Credit Claim Form</i> and copy of certificate of eligibility from Energy, Minerals and Natural Resources Department.
Business facility rehabilitation credit	PIT-5, <i>Qualified Business Facility Rehabilitation Credit</i> , and certificate of completion issued by New Mexico Economic Development Department.
Blended biodiesel fuel tax credit	RPD-41340, <i>Blended Biodiesel Fuel Tax Credit Claim Form</i> .
Cancer clinical trial tax credit	RPD-41358, <i>Cancer Clinical Trial Tax Credit Claim Form</i> .
Electronic card-reading equipment tax credit	Complete and notarize RPD-41246, <i>Income Tax Credit for Electronic Identification Card Reader Purchase and Use Statement</i> .
Film production tax credit (approved)	RPD-41228, <i>Film Production Tax Credit Claim Form</i> .
Geothermal ground-coupled heat pump tax credit	RPD-41346, <i>Geothermal Ground-Coupled Heat Pump Tax Credit Claim Form</i> and copy of certificate of eligibility from New Mexico Energy, Minerals and Natural Resources Department.
Job mentorship tax credit	For each qualified student you employed during the tax year, an RPD-41280, <i>Job Mentorship Tax Credit Certificate</i> , and a RPD-41281, <i>Job Mentorship Tax Credit Claim Form</i> .
Land conservation incentives credit	RPD-41282, <i>Land Conservation Incentives Tax Credit Claim Form</i> , and copy of letter received from Energy, Minerals and Natural Resources Department certifying treatment as a qualified donation.
Preservation of cultural property credit	PIT-4, <i>Preservation of Cultural Properties Credit</i> , Part 2 approval from New Mexico Cultural Properties Review Committee.
Rural job tax credit	RPD-41243, <i>Rural Job Tax Credit Claim Form</i> .
Rural health care practitioners tax credit	RPD-41326, <i>Rural Health Care Practitioner Tax Credit Claim Form</i> and copy of certificate of eligibility from New Mexico Department of Health.
Renewable energy production tax credit	RPD-41227, <i>Renewable Energy Production Tax Credit Claim Form</i> .
Solar market development tax credit	RPD-41317, <i>Solar Market Development Tax Credit Claim Form</i> and certification letter from New Mexico Energy, Minerals and Natural Resources Department.
Sustainable building tax credit	RPD-41329, <i>Sustainable Building Tax Credit Claim Form</i> .
Technology jobs (additional) tax credit	RPD-41244, <i>Technology Jobs Tax Credit Claim Form</i> .
Technology jobs and research and development tax credit	RPD-41386, <i>Technology Jobs And Research and Development Tax Credit Claim Form</i> .
Veteran employment tax credit	RPD-41372, <i>Veteran Employment Tax Credit Claim Form</i> .

Generally, you do not need to send PIT-8453 to the Department. To find out when to submit PIT-8453 to the Department, see the instructions for PIT-8453. If you are required to submit the form to the Department, mail it to:

NM Taxation Revenue Department  
P.O. Box 5418  
Santa Fe, NM 87502

#### RPD-41338 to Waive Preparer Filing Requirement

If you do not want your tax preparer to file your tax return by Department-approved electronic media, use RPD-41338, *Taxpayer Waiver for*

*Preparers Electronic Filing Requirement*. To avoid the penalty of \$5 per return imposed on the paid tax return preparer, your tax preparer must mark the box in the **Paid preparer's use only** section on PIT-1, page 2. The mark shows that your preparer has your RPD-41338 on file.

The requirement to make sure returns are filed by Department-approved electronic media applies only to a 2016 New Mexico PIT-1 filed in calendar year 2016. For more details, see the instructions for the **Paid preparer's use only** section on page 35 of these instructions.

#### Tax Credit for Certain Venture Capital Investments

If your federal adjusted gross income includes a "qualified diversifying business net capital gain" from the sale of "qualified diversifying business stock" on or after July 1, 2000, and you are in full compliance with all provisions of the New Mexico Venture Capital Investment Act, contact (505) 827-1746 for details on claiming the tax credit allowed by the act.

### Attachments Required to Claim PIT-RC Rebates and Credits

To claim these PIT-RC credits	Attach PIT-RC and
Additional low income property tax rebate for Los Alamos or Santa Fe County residents	If the address on your PIT-1 return is not a Los Alamos or Santa Fe County address, attach a copy of your property tax statement for the Los Alamos or Santa Fe County property.
New Mexico child day care credit	PIT-CG, <i>New Mexico Caregiver's Statement</i> from each caregiver and copy of the <i>Caregiver Worksheet</i> .
Special needs child adoption credit - during the first year of claiming the credit for each child,	Certification from the Children Youth and Families Department or a licensed child placement agency that the adopted individual meets the definition of a "difficult-to-place-child" as defined in the Adoption Act (Subsection B of Section 32A-5-44 NMSA 1978). The classification is based on physical or mental impairment or emotional disturbance that is at least moderately disabling. The individual may be over 18 years of age.

### WHEN AND WHERE TO FILE AND PAY

#### WHEN AND WHERE TO FILE

File your return as soon as you have all the necessary information. The deadlines for filing electronic returns and paper returns are different as described next.

**NOTE:** For a faster refund, file your return electronically.

#### Electronic Returns and Payments

If you file a calendar year return and pay your tax online, your filing deadline is **May 1, 2017**. All other taxpayers must file by April 18, 2017. To avoid penalty or interest, you must electronically file your return **and** electronically pay your tax. You can file the return and pay at different times and still qualify for the extended due date.

For a description of electronic filing and payment methods, see *About Electronic Filing* on pages 7 and 8.

#### Paper Returns To Mail

File paper returns no later than the deadline of **April 18, 2017**. For fiscal year taxpayers, the due date is the 15th day of the fourth month following the close of your fiscal year.

If you file or pay late, you may need to pay interest and penalties. See *Interest and Penalties* on page 16.

**IMPORTANT:** The May 1, 2017 deadline applies only when **both** the return and the payment are filed electronically. For taxpayers that file online on a fiscal basis, your filing deadline is last

day of the 4th month after year end.

#### Determining a Timely Mailing Date for Paper Returns

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

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

#### Where To Mail Paper Returns and

## Payments

Mail refund returns and returns **without** a payment attached to:

NM Taxation and Revenue Dept.  
P.O. Box 25122  
Santa Fe, NM 87504-5122

Mail returns **with** a payment and voucher attached or payments and vouchers **without** a return to:

NM Taxation and Revenue Dept.  
P.O. Box 8390  
Santa Fe, NM 87504-8390

## HOW TO PAY

Select the most convenient way to pay your taxes. You can pay with an electronic check, a credit card, a paper check, or a money order.

### Paying with an E-Check

On the Department website at <https://tap.state.nm.us>, you can pay with an E-Check at **no charge**. Your electronic check authorizes the Department to debit your bank account for the amount and on the date you specify.

### Paying with a Credit Card

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.

### Paying with a Check

When you provide a check as payment, you authorize us to use information from your check to make a one-time electronic fund transfer from your account. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment.

### Separate Tax Due Payment and Estimated Payment

Do not combine a payment for tax due on your 2016 return with a pay-

ment for your 2017 estimated income tax liability on the same check. If you combine a tax due payment with an estimated tax payment in a check or money order, it is likely they will not be properly credited to your account.

### Mailing a Payment and Voucher

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

- Make it payable to New Mexico Taxation and Revenue Department
- Write your social security number and **2016 PIT-1** on it.
- Mail the voucher with your payment.

**IMPORTANT:** Mail a voucher **only** when you are making a payment.

### Payment Voucher for PIT-1

Whether you submit your payment with or without your tax return, complete PIT-PV, *Personal Income Tax Payment Voucher* and submit it with your payment. If you are making an extension or estimated payment, use either a PIT-EXT or PIT-ES voucher (described next) to submit your payment.

### Vouchers to Use for Extension or Estimated Payments

If you make an extension payment, complete PIT-EXT, *Personal Income Tax Extension Payment Voucher*. Submit the voucher with your payment.

If you make an estimated payment, complete PIT-ES, *Personal Income Tax Estimated Tax Payment Voucher*. Submit the voucher with your payment.

**IMPORTANT:** The PIT-ES and your check or money order must indicate the correct tax year to apply the estimated payment to.

**NOTE:** If your payment voucher has a scanline (a very long row of numbers) at the bottom 1 and 1/2 inch of the voucher, do not write in the area around the scanline.

For more information about payment vouchers, see page 11 of these instructions.

## EXTENSION OF TIME TO FILE

New Mexico recognizes and accepts an IRS automatic extension of time to file. If you obtained the federal six-month automatic extension by filing federal Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return* for tax year 2016, you have six months to file your New Mexico return. This makes October 16, 2017 the extended due date for calendar-year filers.

To extend your deadline beyond the six months, you are required to obtain an additional extension through the IRS or the state.

### How To Request Additional Time To File Your PIT-1

If you expect to file your federal return by the original due date **or** by the six-month automatic extension allowed by the IRS, but you need additional time to file your New Mexico return, request an extension of time by filing New Mexico Form RPD-41096, *Application for Extension of Time to File*.

You must file RPD-41096 on or before the April 18, 2017 due date. When you file your return, you do not need to attach an approved state extension to the PIT-1.

### Show Extension on PIT-1

To show you were approved for an extension, mark the extension box on PIT-1, line 6a. Then enter the date the extension expires in 6b.

On PIT-1, line 31 (**Other Payments**), report the amount of any payments you made towards the tax due.

### Interest Continues to Accrue

An extension of time to file your return does **not** extend your time to pay. If tax is due, interest continues to accrue.

To make an extension payment by mail or delivery and avoid the accrual of interest if you expect to owe more tax when you file your 2016 return, complete and submit a PIT-EXT payment voucher with your payment.

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## INTEREST AND PENALTIES

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### INTEREST

Even if you receive an extension of time to file, interest accrues on income tax that is not paid on or before the due date of your return.

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

Interest is computed on a daily basis at the rate established for individual income tax purposes by the Internal Revenue Code (IRC).

The IRC rate changes quarterly. The IRS announces the IRC rate in the last month of the previous quarter. The annual rate for the last two years has been 3%-4%. For your convenience, the Department posts the annual and daily interest rates for each quarter on our website at <http://www.tax.newmexico.gov>. Select "Individuals" then "File Your Taxes", then "Penalty & Interest Rates".

**IMPORTANT:** Because the Department bills you for any penalty or interest due on your return, you do not need to calculate the amount of penalty or interest due. When you pay your principal tax liability, penalty and interest stop accruing.

### Refunds and Interest

If you are due a refund, you may be entitled to interest on your overpayment at the same rate charged for underpayments, but only under certain conditions.

For a 2016 PIT-1, filed in calendar year 2017, the Department pays no interest in these situations:

- When it makes the refund within 55 days of the date of your claim for refund;
- When the interest is less than \$1.00; or
- When it cannot process your return (see *Processing Requirements* described next).

For returns filed for any year before the 2016 calendar year, the Department pays no interest in these situations:

- When it makes the refund within 120 days of the date of your claim for refund;
- When the interest is less than \$1.00; or
- When it cannot process your return (described next).

### Processing Requirements

For processing to take place, your return must show your name and social security number, and your return must be signed. Your return must also comply with all the instructions for the return and contain all attachments required by the instructions.

### Negligence Penalty for Late Filing or Late Payment

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

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

### PENALTIES FOR FRAUDULENT RETURNS AND OTHER REASONS

This section covers civil and criminal penalties for fraudulent returns, penalties for underpayment of estimated tax and returned checks, and penalties related to tax preparers.

#### Civil Penalties

In the case of failure to pay when due any amount of required tax, with willful intent to evade or defeat any tax, the Department charges a civil penalty of 50% of the tax due. The minimum penalty is \$25.

Any person who willfully causes or attempts to cause the evasion of another person's obligation to report and pay tax may be assessed a civil penalty in an amount equal to the amount of the tax, penalty, and interest attempted to be evaded.

#### Criminal Penalties

A person who willfully attempts to

evade or defeat any tax or the payment of the tax is guilty of a felony. Upon conviction, that person may be fined between \$1,000 and \$10,000, or imprisoned between one and five years, or both, together with paying the costs of prosecution. This penalty is in addition to other penalties provided by law.

Any person who willfully, with intent to evade or defeat the payment or collection of any tax:

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

is guilty of a felony and subject to criminal penalties. Upon conviction, criminal penalty may be imposed of not more than \$5,000, or imprisonment of not less than six months or more than three years, or both, together with costs of prosecution.

### Penalty for Underpayment of Estimated Tax

If your tax liability for 2016 is \$1,000 or more and your 2016 withholding does not equal the "Required Annual Payment" of (1) 100% of the prior year tax liability **or** (2) 90% of the current year tax liability, you may be subject to penalty.

The law provides some exceptions to the penalty. For information about exceptions, see the instructions for the PIT-ES payment voucher.

If you have not timely made the required annual payments, the Department calculates and assesses penalty on underpayment of estimated tax. If you believe the penalty to be in error, you may provide additional information.



Penalty for underpayment of estimated tax accrues at the same rate as interest on an underpayment of tax. The penalty for underpayment of estimated tax may exceed the maximum 20% that applies to underpayment penalty. Penalty on underpayment of estimated tax is computed on a daily basis, at the rate established for individual income tax purposes by the IRC.

For more information, see *Interest and Penalties* on the previous page.

### Returned Check Penalty

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

### Failure of Paid Tax Preparers to Conform to Certain Requirements

A penalty of \$25 per return or claim for refund is assessed to paid preparers who:

- Fail to sign a tax return or claim for refund, **or**

- Fail to include their identifying numbers.

**IMPORTANT:** The law provides for a penalty of \$500 per item against any tax preparer who endorses or otherwise negotiates, either directly or through an agent, any refund check issued to a taxpayer.

### Paid Tax Preparers Requirement to Ensure Returns are Filed Electronically

Paid tax practitioners who prepare more than 25 New Mexico personal income tax returns must ensure that each return is submitted by Department-approved electronic media, unless the taxpayer requests otherwise. A \$5 penalty per return is assessed for personal income tax preparers who fail to comply with this requirement.

To avoid a penalty of \$5 per return imposed on the paid tax return preparer, the tax preparer must ensure the return is filed by Department-approved electronic media **or** must keep a signed Form RPD-41338, *Taxpayer Waiver for Preparers Electronic Filing Require-*

*ment*, on file **and** mark the box in the **Paid preparer's use only** section on PIT-1, page 2.

Department-approved electronic media includes a New Mexico PIT-1 transmitted electronically or submitted in paper form with a 2D barcode (printed on PIT-1, page 2) that contains the taxpayer's tax return information. The information in the 2D barcode is electronically captured.

An electronically transmitted return can be transmitted through the Department website or transmitted through the Internet using approved third-party software or online program.

The requirement to ensure the return is filed by Department-approved electronic media applies only to a 2016 New Mexico PIT-1 filed in calendar year 2017. For more details about this requirement, see the instructions for the **Paid preparer's use only** section on page 35 of these instructions.

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## YOUR RIGHTS UNDER THE TAX LAW

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### YOUR RIGHTS

The Tax Administration Act governs how the Department administers the Income Tax Act and gives you specific rights and responsibilities.

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

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

### Verification, Correction, and Disputes

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

Department adjusts your tax return or assesses additional tax, the Department sends you a copy of Publication FYI-406, *Your Rights Under the Tax Laws*.

FYI-406 outlines your rights and obligations. The publication tells you how to dispute a Department action by using either the claim for refund procedure or the protest procedure. To make sure you take the necessary steps to protect your rights, read these procedures carefully.

### Where To Get FYI-406

Publication FYI-406 is available at [www.tax.newmexico.gov](http://www.tax.newmexico.gov). At the top right under **ABOUT US**, click the magnifying glass, type **FYI-406**, and then click **Search**. You can also get FYI-406 by sending email to Taxpayer Information and Policy Office at [policy.office@state.nm.us](mailto:policy.office@state.nm.us) or calling (505) 827-0908.

Taxpayers may protest the Department's failure to grant or deny a claim for refund. If the Department has not granted or denied a claim for refund within 120 days, you may protest, bring suit, or re-file your claim within three years from the end of the calendar year in which the tax was due or in which you paid a Department assessment.

**IMPORTANT:** If you do not hear from the Department within 120 days, you have 90 days from the 120th day of the date of refund claim to file a protest.

You must act if you have not heard from the Department within 120 days. Section 7-1-26 NMSA 1978 prevents the Department from approving or denying your claim when 210 days have passed after the date of the claim for refund and you have not filed a formal protest or suit in district court.

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## ABOUT YOUR TAX RETURN INFORMATION

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### KEEP COPIES OF YOUR TAX RECORDS AND RETURNS

Remember to keep a copy of your completed income tax return for at least 10 years after you file it. Keep copies of accounting books and other financial records, schedules, statements, or other documents supporting the entries on your return. The Department may ask you to provide copies after you filed your income tax return.

### Privacy Notification

The Department requires taxpayers to furnish social security numbers (SSNs) as a means of taxpayer identification. All information supplied electronically by taxpayers is protected using encryption and fire walls. Taxpayer information on returns is protected in accordance with the confidentiality provisions of the Tax Administration Act (Section 7-1-8 NMSA 1978).

For details about the rights of the Taxation and Revenue Department and the Secretary of the Department to collect and maintain personal information, including mandatory disclosure of SSNs in the manner required by tax regulations, instructions, and forms, see Section 7-1-12 NMSA 1978 and 3.1.1.15 NMAC.

The Department uses this personal

information primarily to determine and administer state tax liabilities. The Department also uses the information for certain tax offset and exchange-of-tax information authorized by law, and for any other purpose authorized by law.

### 1099-G and 1099-INT Information Returns

Federal law requires New Mexico to report to the IRS all New Mexico income tax refunds and interest paid to taxpayers on these refunds. New Mexico is required to report the same information to you on a Form 1099.

The amount reported on Forms 1099-G and 1099-INT may or may not be federally taxable to you. To find out if you need to report the amount as income for federal income tax purposes, consult your tax preparer, the federal income tax form instructions, or IRS Publication 525, *Taxable and Nontaxable Income*.

### Federal/State Tax Agreement

Under authority of federal and New Mexico laws, the New Mexico Taxation and Revenue Department and the IRS are parties to a federal/state agreement for the mutual exchange of tax information.

Every year New Mexico participates in

a program that matches New Mexico return information with federal return information. If you receive a notice from the Department telling you about a difference between state and federal information or about a non-filed return, it is to your advantage to respond promptly and provide information to clear your record.

If you do not respond within 60 days, the Department presumes the notice is correct and issues an assessment of tax due for the amount of underpaid tax, plus interest and penalty.

### Treasury Offset Program

If an assessment of New Mexico personal income tax is established, the Department may submit your unpaid debt to the Treasury Offset Program. This "offset" is authorized by federal law and allows the U.S. Department of the Treasury to reduce or withhold any of your federal income tax refund by the amount of your debt.

### Outside Collection Agencies

The Department is authorized to contract with outside collection agencies for collection of tax obligations that are at least 120 days past due. Contracted outside collection agencies are subject to the same privacy laws and requirements as the Department.

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## WHAT TO KNOW AND DO BEFORE YOU BEGIN

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### ABOUT FEDERAL AND STATE LAWS

Many New Mexico income tax laws are based on federal income tax laws. These instructions point out the differences and explain items unique to New Mexico law. No instructions are given when a line requires addition or subtraction, or when the instructions for an item are written on the form.

**CAUTION:** In these instructions, references to line numbers on federal forms are provided as a convenience. They are based on information available to the Department when the Department delivers New Mexico forms to the printing contractor. The Department is not responsible for changes or errors in these references.

### GETTING READY

Follow these steps before you start filling out your PIT-1:

1. Prepare your federal return. Even if you are not required to file a federal return, complete a sample federal return before you prepare your New Mexico return. Much of the information requested on the PIT-1 is the same.
2. Collect all forms and schedules you are required to file, publications you need to reference, and all your tax records.

For example, to claim a deduction, exemption, or tax credit on Schedule PIT-ADJ, Schedule PIT-CR, or

Schedule PIT-RC, collect all the schedules and make sure you have the appropriate records, approvals, and certifications. Some of the additional items you need are named on the schedule lines.

**IMPORTANT:** Submit only original, official PIT-1 and schedules.

For a description of different forms and schedules, see *Required Forms and Attachments* on PIT-1 instructions on page 9 and *Other Forms or Attachments You Might Need to File* on page 11. To find out where to get the forms and schedules you need, see *Contacting the Department* on page 1.

3. Read the next section, *Valid Identification Number Required*, to learn about social security numbers (SSNs) and Individual Taxpayer Identification Numbers (ITINs).
4. To get basic information about common tax situations, read *Common Items To Know About To Prepare Your PIT-1* on this page.

### **VALID IDENTIFICATION NUMBER REQUIRED**

Enter your name and SSN on all forms, schedules, and correspondence you send to the Department. The Department cannot accept a return without a valid identification number. New Mexico requires you to use the same name and taxpayer identification number required by the IRS.

Make sure the name(s) of the taxpayer, spouse, and all dependents listed on your income tax return and SSN(s) agree with the individual's social security card. If the name is not correct, contact the Social Security Administration. You can find contact information on their website address at [www.ssa.gov](http://www.ssa.gov).

### **If You Do Not Have An SSN**

Resident or non-resident foreign nationals who do not have and who are not eligible to obtain an SSN may obtain a federal ITIN. To apply for an ITIN, file federal Form W-7 with the IRS. Enter this ITIN in place of an SSN everywhere the SSN is required.

For forms and information about the ITIN program, contact the IRS or visit their website at [www.irs.gov](http://www.irs.gov).

### **Non-Resident Alien Spouse**

The IRS requires a non-resident alien spouse to have either an SSN or an ITIN in **any** of these situations:

- You file a joint return.
- You file a separate return and claim an exemption for your spouse.
- Your spouse is filing a separate return.

### **Deceased Dependent Child**

A dependent child who was born and died in 2016 is not required to have an SSN. If you did not obtain an SSN,

on line 8, column 2 (Dependent's SSN), enter all **9s** and attach a copy of the child's birth certificate, death certificate, or hospital records. The document(s) must show the child was born alive.

### **COMMON ITEMS TO KNOW ABOUT TO PREPARE YOUR PIT-1**

This section gives you basic information about these common items to help you prepare your PIT-1:

- Spouse situations
- Types of income
- Winnings
- Taxes withheld or paid
- Frequently claimed rebates and credits

### **SPOUSE-RELATED SITUATIONS**

If any of the following situations applies to you, **and** your income and payments are not evenly distributed, prepare and attach a statement reflecting a correct division of community and separate income and payments:

- You are married and filing separate returns.
- You were divorced in 2016.
- You are claiming the exemption for income of persons 100 years or older.
- You or your spouse, but not both, are a resident of a community property state.

### **TYPES OF INCOME**

The following type of income are covered next:

- Salary, wages, or tips;
- Sick pay, tuition or IRA distribution, annuity, pension or retirement pay, or social security benefits;
- Public assistance or Supplemental Security Income (SSI); and
- Other income.

### **Salary, Wages, or Tips**

If you received salary, wages, or tips in 2016, collect all your 2016 wage and tax statements. If you have not received your wage and tax statements by February 15 or if a statement you receive is incorrect, contact your employer.

If New Mexico tax was withheld in error on your wages, salary, or tips, and you had no income tax responsibility to New Mexico on that income, obtain a letter from your employer or payor with the following information:

- Explanation of the cause of the error; and
- Statement that no New Mexico income tax was due on the income reported.

### **Sick Pay, Tuition or IRA Distribution, Annuity, Pension or Retirement Pay, or Social Security Benefits**

If in 2016 you received sick pay; a distribution from a New Mexico-approved qualified state tuition program or an IRA distribution; an annuity; a pension, Railroad Retirement, other retirement pay; or social security benefits, whether or not income tax was withheld on the payments, collect all your federal Form(s) 1099-R, RRB-1099 and SSA-1099.

If New Mexico tax was withheld in error on your annuity or pension, and you had no income tax responsibility to New Mexico on that income, provide a copy of the state income tax return for the state in which you are domiciled or other information showing residency in another state.

If you did not have tax withheld but would like to have it withheld in the future, contact the payor. See the *Withholding on Certain Government Pensions* table at the top of the next page for contact information for those pensions.

### **Public Assistance or Supplemental Security Income**

If you received public assistance from Temporary Assistance to Needy Families (TANF) or a similar program, from welfare benefits, or SSI during 2016, collect your records showing the amounts you received.

### **Other Income**

If you received any other income in 2016, whether or not taxable, such as an insurance settlement, a scholarship or grant, VA benefits, income from an inheritance or trust, gifts of cash or marketable property, alimony,

## Withholding on Certain Government Pensions

Retired members of the Army, Air Force, Navy, Marines, Coast Guard, U.S. Civil Service, the National Oceanic and Atmospheric Administration, and the U.S. Public Health Service may request that New Mexico income tax be withheld from their retirement pay by contacting the appropriate retirement pay office.

### **U.S. Military Retirement/Annuitant Pay**

Defense Finance and Accounting Service  
(800) 321-1080  
[www.dod.mil](http://www.dod.mil)

### **U.S. Coast Guard**

PPC Retiree and Annuitant Services Branch  
(800) 772-8724  
[www.uscg.mil/ppc/ras/](http://www.uscg.mil/ppc/ras/)  
(Also for retired members of the National Oceanic and Atmospheric Administration)

### **U.S. Public Health Service**

Commissioned Corps Compensation  
5600 Fishers Lane, Room 4-50  
Rockville, MD 20857  
(800) 638-8744  
(301) 594-2963

### **All Other Federal Retirees**

U.S. Office of Personnel Management  
Retirement Operations Center  
(888) 767-6738  
(202) 606-0500 or (202) 606-1800  
[www.opm.gov/retire](http://www.opm.gov/retire)

and separate maintenance or child support, collect your records showing the amounts.

### **WINNINGS**

If you had gambling or lottery winnings, whether or not income tax was withheld on the winnings, you need your 2016 federal Form W-2G or a record of winnings not required to be reported on a Form W-2G. If your winnings were offset by losses reported in the itemized deductions on your federal return, the Department may request documentation from you to substantiate the deduction.

### **TAXES WITHHELD OR PAID**

This section covers the following tax situations:

- Tax withheld from oil and gas proceeds;
- Tax withheld by a pass-through entity;
- Estimated tax payments you paid to New Mexico; and
- Income taxes you paid to another state.

### **Tax Withheld from Oil and Gas Proceeds**

If tax was withheld from your oil and gas proceeds from an oil or gas well located in New Mexico, obtain a copy of your federal Form 1099-MISC or New Mexico Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*.

### **Tax Withheld By Pass-Through Entity**

If tax was withheld by a pass-through entity (PTE) from your share of the net income earned by a PTE, obtain a copy of federal Form 1099-MISC or a copy of New Mexico Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*.

### **Estimated Tax Payments to New Mexico**

If you made New Mexico estimated tax payments during the year, collect your records showing the amounts and dates of your payments. If you applied an overpayment from your 2016 return to your 2017 estimated taxes, make sure to include that amount in your total.

### **Income Taxes Paid To Another State**

If you paid income taxes to another state on income that also is taxable in New Mexico, you need a copy of that state's return. For you to be eligible for the credit, both states must require the same income to be taxable in their state.

### **FREQUENTLY CLAIMED REBATE AND CREDIT**

#### **Property Tax Rebate**

To claim the property tax rebate for persons age 65 or older, or the low income property tax rebate for Los Alamos or Santa Fe County residents, collect your records of the property tax billed for 2016 and/or the rent you paid on your principal place of residence.

#### **Child Day Care Credit**

To claim the child day care credit, get Form PIT-CG, *New Mexico Caregiver's Statement*, from each person who provided child day care during 2016.

## **REMINDER**

**Write your correct social security number (SSN)  
on ALL forms, schedules, payments, and correspondence.**



## WHAT TO DO NEXT

Fill in your return using the line instructions that start on this page. When you finish filling in your PIT-1, see *Before Filing Your Return* on page 37.

## Important Guidelines

Review the following items before making your entries:

- Consider first preparing a working PIT-1 so you can make mistakes and notes on it. After you complete the draft, you can neatly transfer the correct entries from your working copy to a clean PIT-1.
- Type or print using blue or black ink. Do not use a pencil.
- Complete all required information on your form. Failure to do this delays processing your return and may cause errors when the Taxation and Revenue Department performs calculations during processing.
- Leave blank all spaces and boxes that do not apply to you. Do not draw lines through or across areas you leave blank.
- Round all numbers and enter only whole dollar amounts. For example, enter \$10.49 as \$10 and \$10.50 as \$11.
- Write numbers clearly and legibly to reduce processing errors and increase efficiency. Use the boxes on the form as a guide for your handwritten entries.
- Do not use dollar signs (\$), decimal points (.), or any punctuation marks or symbols other than a comma (,).
- To show a loss on PIT-1, line 9, place a minus sign (-) immediately to the left of the loss amount. Do not use brackets or parentheses.  
For example, if your federal adjusted gross income is negative \$23,742.48, the money field entry for a loss on your PIT-1, line 9 looks like this:

- 23,742	00
----------	----

## TOP OF PAGE 1

The top of page 1 shows your filing period. All information on your return (except your mailing address) is for

calendar year January 1, 2016 through December 31, 2016, or for your fiscal year.

If you are filing for a fiscal year, on the two lines under December 31, 2016, enter the month, day, and year your tax year began and the month, day, and year it ended. Calendar year filers leave these lines blank.

Your tax year must match the tax year of your federal return. Do not file short year returns unless allowed by the Internal Revenue Service.

## LINES 1 AND 2 Name and Social Security Number

Clearly enter your name and social security number (SSN) and if applicable, the name and SSN of your spouse in exactly the same order as on your federal return. Even if you are married filing separately, your spouse's name and SSN is required.

## No Social Security Number?

If you or your spouse do not have an SSN, you may be eligible for a federal Individual Taxpayer Identification Number (ITIN) from the IRS. If you or your spouse do not have an SSN, but do have an ITIN assigned by the IRS, enter the ITIN everywhere the SSN is required.

For details about the ITIN and its requirements, see page 19 of these instructions.

Make sure all names and SSNs or ITINs are legible, complete, and correct.

**IMPORTANT:** You must provide your own SSN or ITIN, and if applicable, your spouse's SSN or ITIN, or your return is not complete and the Department cannot process it.

## Blind Taxpayers

If you or your spouse, if applicable, are blind for federal income tax purposes, mark **X** in boxes 1c and 2c.

**NOTE:** The Department may request proof at a later date that you or your

spouse, if applicable, are blind for federal income tax purposes. Do not attach the proof to your return.

## 65 Years of Age or Older

If you or your spouse, if applicable, are age 65 years or older on the last day of the tax year, mark **X** in boxes 1d or 2d.

## Residency Status

In boxes 1e and 2e, enter **R**, **N**, **F**, or **P** to indicate your residency status and, if applicable, your spouse's residency status. Use **R** for resident, **N** for non-resident, **F** for first-year resident, and **P** for part-year resident as defined next:

- **Resident.** New Mexico full-year residents and individuals who were physically present in New Mexico for 185 days or more during the tax year, but were not first-year residents or certain military servicemembers and their qualifying spouses, mark **R** in the box.
- **First-Year Resident.** If you moved into New Mexico during the tax year with the intent of establishing domicile in New Mexico, and you were still in New Mexico on December 31, 2016, mark **F** in the box. You are a first-year resident whether or not you were physically present in New Mexico for fewer than 185 days or more during the tax year.
- **Part-Year Resident.** If you were physically present in New Mexico for fewer than 185 days during the tax year, and you were domiciled in New Mexico during part of the tax year but not on the last day of the tax year, mark **P** in the box.
- **Non-Resident.** If you were physically present in New Mexico for fewer than 185 days and you were not domiciled in New Mexico during any part of the year, mark **N** in the box.
- **Military Servicemembers.** If you are a military servicemember, including a USPHS servicemember, you and your qualifying spouse are temporarily assigned to New Mexico, and you have established residency outside New Mexico, mark **N** in the box.

For more information about residency and about military servicemembers, see pages 2 to 4.

**NOTE:** New Mexico's law says every person with income from New Mexico sources who is required to file a federal income tax return must file a personal income tax return in New Mexico. This includes non-residents who have income from any New Mexico source (including wages, rents, royalties, businesses, and estates). Even foreign nationals and persons who reside in states that do not have income taxes must file in New Mexico when they have a federal filing requirement and income from any New Mexico source whatsoever.

### Date of Birth

In 1f, and if applicable, 2f, enter date(s) of birth in **MM/DD/CCYY** format. For example, if your birthdate was on December 8, 1946, enter 12/08/1946.

### LINE 3 Address

If your mailing address is new or has changed, mark **X** in box 3a.

If you move **after** filing your return and you expect a refund, notify both of the following about your change of address:

- The post office serving your old address; and
- The Department.

This helps in forwarding your refund or any other correspondence related to your tax return to your new address.

You may change your address online using Taxpayer Access Point (TAP) on the Department's website. You must login to TAP to change your address. To report a change of address by mail, use Form RPD-41260, *Personal Income Tax Change of Address Form*. Your original signature is mandatory for a change of address.

In 3b, clearly enter your address. Make sure it is an address where you can receive mail and that it is legible, complete, and correct.

If you have a foreign address, enter the street address, city name and postal code in the appropriate line. Also complete the spaces for the foreign province and/or state and country. Follow the country's practice for entering the foreign postal code, the province or state, and country. Do not abbreviate the country name.

### LINE 4 Deceased Taxpayer or Spouse and Any Claimant

If the taxpayer or the spouse named on the return died before you file this return, on lines 4c and 4d, enter the date of death in **MM/DD/CCYY** format. For example, if the death was on February 15, 2016, enter 02/15/2016. Attach a copy of the death certificate or other proof of death.

If the refund must be made payable to a person other than the surviving spouse, or to the estate of the taxpayer, on line 4a enter the claimant's name, and on line 4b enter the claimant's SSN. You must also attach Form RPD-41083, *Affidavit to Obtain Refund of New Mexico Tax Due a Deceased Taxpayer*.

For more information, see *Representatives of Deceased Taxpayers* on page 5 of these instructions.

### LINE 5 Exemptions

Enter the number of exemptions allowed on your federal return for you, your spouse if filing a joint return, and your qualifying dependents. New Mexico uses the same definitions and qualifications as the IRS to determine if someone is your dependent.

**IMPORTANT:** If you were or your spouse was a dependent or qualify as a dependent of another individual for federal income tax purposes, whether or not you or your spouse were claimed as a dependent on the other person's federal return, exclude that spouse from your allowable exemptions.

The next examples show when to enter **1**, **2**, or **0** exemptions.

**Example 1.** If neither you nor your spouse can be claimed as a dependent of another individual for federal income tax purposes, enter **1** exemption if married filing separately and **2** exemptions if married filing jointly.

**Example 2.** If you are filing jointly and if someone can claim you or your spouse, but not both, on their federal return, enter **1** exemption.

**Example 3.** If you are filing jointly and both you and your spouse qualify to be claimed as a dependent on another person's federal return, enter **00** as your exemption.

### LINE 6 Extension of Time to File

If you have a federal or New Mexico extension of time to file, mark **X** in box 6a and enter the date the extension expires in 6b.

If you were granted a federal automatic six-month extension (through October 15th) or you received approval for a New Mexico extension, do **not** attach either of the following:

- A copy of federal Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*; or
- New Mexico Form RPD-41096, *Application for Extension of Time to File*.

If you are granted a federal extension for more than six months, or granted a New Mexico extension for military personnel deployed in a combat zone, special instructions and attachments are required.

For more information, see *Extension of Time to File* on page 15 of these instructions.

**IMPORTANT:** An extension of time to file your return does **not** extend your time to pay.

### LINE 7 Filing Status

Show your filing status by marking **X** in the box to the left of the filing status.

Use the same filing status on your PIT-1 that you used on your federal return. If you did not file a federal return, use the filing status you would have used for federal income tax purposes.

### New Mexico is a Community Property State

Both your New Mexico return and your federal return **must** reflect a correct division of community and separate income and payments in these cases:

- Married persons filing separately or divorced during 2016;
- Married persons filing jointly and claiming the exemption for income of persons 100 years or older; and
- Married persons allocating and apportioning income inside and outside New Mexico.

If your income and payments are not evenly distributed, attach a copy of a statement reflecting a correct division of community and separate income and payments. Include your spouse's or former spouse's name and SSN on the statement.

**NOTE:** Even if you did not file a federal return, attach the statement explaining the division of community income and payments to your PIT-1 return.

For details, see Publication FYI-310, *Community Property, Divorce, Separation and Your New Mexico Income Tax*.

### Requirements for Items 3 and 4

If you mark **X** in item 3, *Married filing separately*, your spouse's name and SSN are required on lines 2a and 2b.

If you mark **X** in item 4, *Head of Household*, on the line below item 4, enter the name of the person who qualifies you as head of household **if** that person is a child and not eligible to be included as a qualified dependent exemption under federal regulations.

### LINE 8 Dependents

Enter the name, SSN, and date of birth of each dependent you reported on your federal return. If you have more than five qualifying dependents, enter the name, SSN, and date of birth of

the first five qualifying dependents on PIT-1, line 8, and the remaining qualifying dependents on 2016 Schedule PIT-S. Attach Schedule PIT-S to your 2016 PIT-1 return.

**NOTE:** Enter **only** qualifying dependent exemptions allowed on your federal return. Do **not** include yourself or your spouse on line 8 or Schedule PIT-S.

### Who is a Qualifying Dependent?

New Mexico uses the same definitions and qualifications as the IRS to determine if someone is a qualified dependent. To find out who you may claim as a dependent exemption, see the instructions for federal Form 1040, 1040A, or 1040EZ.

**IMPORTANT:** To avoid processing delays, do **not** use Schedule PIT-S unless the five dependent lines are filled in on PIT-1, line 8, and you need additional lines for qualifying dependent exemptions over five.

### About the Three Columns

In column 1, make sure the name agrees with the individual's social security card or ITIN.

In column 2, enter your dependent's correct SSN or, if your dependent is not eligible to obtain an SSN, enter the correct ITIN required by the IRS. To find out how to apply for an ITIN, visit the IRS website at [www.irs.gov](http://www.irs.gov).

If your qualified dependent child was born and died in 2016, and you did not obtain an SSN, enter all **9s** and attach a copy of the child's birth certificate, death certificate, or hospital records. The document must show the child was born alive.

In column 3, enter your dependent's date of birth in **MM/DD/CCYY** format. For example, if your child was born April 1, 2002, enter 04/01/2002.

### LINE 9 Federal Adjusted Gross Income

Enter the federal adjusted gross income as reported on your federal form:

If you filed federal Form	Enter the amount from
1040	Line 38
1040A	Line 22
1040EZ	Line 4

### Royalty Income of Non-Residents

Non-resident taxpayers who elect to calculate tax on **gross** royalty income under \$5,000 using special procedures instead of filing a complete PIT-1 and a PIT-B, skip PIT-1, lines 9 through 16a.

On line 17, enter your total **gross** royalty income from New Mexico sources. Calculate the tax by applying the gross royalty income to the tax rate tables. In the box on PIT-1, line 18a, enter **Y** instead of **R** or **B**. Then follow the instructions for lines 22 and 23, and lines 27 through 42.

For more information, see *Non-Residents and Royalty Income* on page 5 of these instructions.

### Federal Return Attachments Required

Generally, you do not attach your federal return to your PIT-1. If, however, you have a combined loss of over \$40,000, from one or more of the following federal forms and schedules, attach to Form PIT-1, your federal Form 1040, pages 1 and 2, and the federal Form 1040 Schedules showing the loss or losses taken on Form 1040.

- Form 1040, Schedules C or C-EZ for business income or loss;
- Form 1040, Schedule D for capital gains or loss;
- Form 1040, Schedule E for rental real estate, royalties, partnerships, S corporations, trusts, income;
- Form 1040, Schedule F for farm income or loss; and
- Form 4797, Other gains or losses.

### LINE 9a Federal Net Operating Loss

If your federal adjusted gross income is zero or less, enter any federal net operating loss incurred for the tax year. Enter the federal net operating loss as a positive amount. See the instructions for the federal return to determine the amount of the federal net operating loss incurred.



Worksheet for Computing the Amount on Line 10 of the PIT-1 Return	
1. Enter the state and local tax deduction you claimed on federal Form 1040, Schedule A, line 5.	\$
2. Enter your total itemized deductions from federal Form 1040, line 40. Also enter this amount on PIT-1, line 12, and mark the box on line 12a.	\$
3. Enter the sum of the amounts you reported on federal Form 1040, Schedule A, lines 4, 9, 15, 19, 20, 27, and 28.	\$
4. Divide line 2 by line 3. Round to 4 decimal places.	
5. Multiply line 4 by line 1.	\$
6. Enter the standard deduction amount you could have claimed on federal Form 1040, line 40, if you had not itemized your federal allowable deductions.	\$
7. Subtract line 6 from line 2. If less than zero, enter zero.	\$
8. Enter the lesser of lines 5 and 7. <b>Also enter this amount on PIT-1, line 10.</b>	\$

#### LINE 10

#### Itemized State and Local Tax Deduction

If you itemized deductions on your 2016 federal income tax return, on your PIT-1 Return you must add back all or part of the amount shown for **Taxes You Paid (state and local)** on federal Form 1040, Schedule A, line 5. But, the following restrictions apply:

- The amount cannot be below the standard deduction amount you would have qualified for if you had not elected to or if you were required to itemize your deductions on your federal return.
- If the amount of the itemized deductions allowed on your federal return is limited because your federal adjusted gross income exceeds certain thresholds, your state and local tax deduction add-back is also reduced. The add-back is reduced by a percentage equal to the itemized deductions allowed and the total itemized deductions reported on federal Form 1040, Schedule A, before the limitation is applied.

To determine the amount to enter on line 10, complete the *Worksheet for Computing the Amount on Line 10 of*

*the PIT-1 Return* on page 24.

#### LINE 11

#### Total Additions to Federal Adjusted Gross Income

If you completed Schedule PIT-ADJ, lines 1 to 5, enter the **Total Additions** from PIT-ADJ, line 5.

If any of the following are true, you are required to complete and attach Schedule PIT-ADJ:

- You received interest and dividends from federally tax-exempt bonds.
- You have a federal net operating loss carryover.
- You had contributions refunded when closing a New Mexico-approved Section 529 college savings plan account.
- You had certain contributions rolled out of a New Mexico-approved Section 529 college savings plan account.
- You claimed a charitable deduction on federal Form 1040, Schedule A for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were allowed the New Mexico land conservation tax credit.

For information about calculating the additions, see the 2016 PIT-ADJ, lines 1 to 5 instructions.

#### LINE 12

#### Federal Standard or Itemized Deduction Amount

If you did not itemize deductions on your 2016 federal return, enter the allowable federal standard deduction from federal Form 1040, line 40, or from federal Form 1040A, line 24.

If you itemized deductions on your 2016 federal Form 1040, do the following:

- Enter the allowable federal itemized deductions you reported on Form 1040, line 40.
- Mark box 12a.

**IMPORTANT:** Mark box 12a only if you itemized your deductions on Form 1040, line 40.

#### Charitable Deduction of Land

If you claim a charitable deduction in your federal itemized deductions on federal Form 1040, Schedule A for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were approved for the New Mexico land conservation tax credit, you must add back the charitable deduction amount included in your itemized deductions on Form 1040, Schedule A. To determine the amount of the charitable deduction to add back, see the Schedule PIT-ADJ, line 4 line instructions.

#### If You File Federal Form 1040EZ

Filers of federal Form 1040EZ enter the amount from Form 1040EZ, line 5 on PIT-1, line 12. Because that amount includes both your standard deduction and your dependency exemption, leave PIT-1, line 13 blank.

#### LINE 13

#### Federal Exemption Amount

Enter your federal exemption amount from either of these federal forms:

- Form 1040, line 42
- or
- Form 1040A, line 26



# New Mexico Low- and Middle-Income Tax Exemption Worksheet

Complete this worksheet to determine your New Mexico low- and middle-income tax exemption for PIT-1, line 14.

Do not attach this worksheet to your PIT-1. Keep a copy in your records.

**You are eligible to claim the New Mexico low- and middle-income tax exemption if:**

<b>Your filing status is</b>	<b>and your federal adjusted gross income is</b>
Single	\$36,667 or less
Married filing jointly or surviving spouse	\$55,000 or less
Head of household	\$55,000 or less
Married filing separately	\$27,500 or less

1. Enter the amount reported on PIT-1, line 9.  
If your federal adjusted gross income is greater than the amount listed in the table above for your filing status, do not complete this form because you do not qualify for this exemption. ....

1.	
----	--

2. If your filing status on PIT-1, line 7 is: .....  
 • Single, enter \$20,000.  
 • Married filing jointly or qualified widow(er), enter \$30,000.  
 • Head of household, enter \$30,000.  
 • Married filing separately, enter \$15,000.

2.	
----	--

3. Subtract line 2 from line 1. If the result is negative, enter zero here, skip line 4, and enter zero on line 5.....

3.	
----	--

4. If your filing status on PIT-1, line 7 is: .....  
 • Single, enter 0.15.  
 • Married filing jointly or qualified widow(er), enter 0.10.  
 • Head of household, enter 0.10.  
 • Married filing separately, enter 0.20.

4.	
----	--

5. Multiply line 3 by line 4 and enter the result. ....

5.	
----	--

6. Subtract line 5 from \$2,500.....

6.	
----	--

7. Enter the number of federal exemptions\* reported on PIT-1, line 5.....

7.	
----	--

8. Multiply line 6 by line 7. Enter this amount here and on PIT-1, line 14.....

8.	
----	--

\* A **federal exemption** is an exemption allowable for federal income tax purposes.

**NOTE:** If you filed federal Form 1040EZ, leave line 13 blank. Your deduction for personal exemptions is included in the amount on line 12.

#### LINE 14

#### New Mexico Low- and Middle-Income Tax Exemption

A New Mexico income tax exemption is allowed for low- and middle-income taxpayers. All taxpayers, including residents, part-year residents, first-year residents, and non-residents may claim this exemption in full.

The maximum is \$2,500 for each qualified exemption for federal income tax purposes. The amount varies according to filing status and adjusted gross income.

To claim the exemption, the amount on PIT-1, line 9 must be equal to or less than any of the following:

- \$36,667 (if single)
- \$27,500 (if married filing separately)
- \$55,000 (if married filing jointly, qualified widow(er), or head of household)

To calculate the exemption, use *New Mexico Low- and Middle-Income Tax Exemption Worksheet* on page 25.

#### LINE 15

#### Total Deductions and Exemptions from Federal Income

If you completed PIT-ADJ, lines 6 to 22, on PIT-1, line 15, enter the **Total Deductions and Exemptions** from PIT-ADJ, line 22.

You are required to complete and attach Schedule PIT-ADJ if any of the following are true:

- You have interest and dividend income on New Mexico state and local bonds.
- You have a New Mexico net operating loss carryover.
- You have interest income from U.S. Government obligations.
- You have Railroad Retirement income not taxable by New Mexico.
- You, your spouse, or both are

### Worksheet for Calculating Medical Care Expense Deduction

1. Determine your eligible medical care expenses paid during the tax year and enter here. **IMPORTANT:** Also enter this amount on line 16a.....1. \$ \_\_\_\_\_
2. From the *Medical Care Expenses* table below, enter the correct **Percentage of Paid Medical Expenses** based on your filing status and your adjusted gross income. .... 2. \_\_\_\_\_ %
3. Multiply line 1 by line 2. Enter on PIT-1, line 16.....3. \$ \_\_\_\_\_

### Medical Care Expenses

#### Surviving Spouses and Married Individuals Filing Joint Returns

<i>If Adjusted Gross Income Is</i>	<i>Percentage of Paid Medical Expenses</i>
Not over \$30,000	25%
From \$30,001 to \$70,000	15%
Over \$70,000	10%

#### Single Individuals and Married Persons Filing Separate Returns

<i>If Adjusted Gross Income Is</i>	<i>Percentage of Paid Medical Expenses</i>
Not over \$15,000	25%
From \$15,001 to \$35,000	15%
Over \$35,000	10%

#### Head of Household

<i>If Adjusted Gross Income Is</i>	<i>Percentage of Paid Medical Expenses</i>
Not over \$20,000	25%
From \$20,001 to \$50,000	15%
Over \$50,000	10%

members of an Indian nation, tribe, or pueblo and your income was wholly earned on the lands of the reservation or pueblo of which the individual is an enrolled member while domiciled on that land, reservation, tribe, or pueblo.

- You, your spouse, or both are age 100 or over **and** not a dependent of another taxpayer.
- You, your spouse, or both are age 65 or over or blind, **and** your adjusted gross income is not over \$51,000 for a joint return; \$28,500 for a single taxpayer; or \$25,500 for married taxpayers filing separately.
- You have a New Mexico Medical Care Savings Account.
- You contribute to a New Mexico-approved Section 529 college savings plan.
- You have net capital gains for which you can claim a deduction of up to \$1,000 or 50% of your net

capital gain deduction, whichever is greater.

- You have armed forces wages or salary from active duty service.
- You, your spouse, or both are age 65 or over, and you have unreimbursed or uncompensated medical care expenses of \$28,000 or more for yourself, your spouse, or dependents.
- You, your spouse, or dependents have expenses related to donating human organs for transfer to another person.
- You received a reimbursement from the New Mexico National Guard Service Member's Life Insurance Reimbursement Fund.
- You were required to include, in your federal adjusted gross income, taxable refunds, credits, or offsets of state and local income tax (federal Form 1040, line 10).
- You are a non-resident U.S. Public

Health Service (USPHS) service member and you received active duty pay.

For details about calculating total deductions and exemptions, see the 2016 PIT-ADJ, lines 6 to 21 instructions.

## LINE 16

### Medical Care Expense Deduction

If you file a New Mexico PIT-1, you may claim a deduction for medical care expenses paid during the tax year for medical care for you, your spouse, or a dependent. Eligible filers include out-of-state residents with income tax responsibility to New Mexico. This deduction is available through December 31, 2024.

#### Deduction Amount

To determine the deduction amount to enter, use *Worksheet for Calculating Medical Care Expense Deduction* and the instructions beginning on the previous page.

You may claim the medical care expense deduction in an amount equal to the percentage of medical care expenses paid during the tax year based on your filing status and adjusted gross income. See the *Medical Care Expenses* table on the previous page.

**IMPORTANT:** You must complete both lines 16 and 16a. If either are incomplete, the Department denies your deduction.

#### Married Couples Filing Separately

Married couples filing separately may claim only those expenses personally incurred by a spouse. The other spouse may not claim any expenses already claimed or planned to claim by the spouse incurring the expense.

#### Requirement 1: Provider Must Be Licensed or Certified to Practice in New Mexico

When medical expenses are incurred for services provided by a medical doctor, osteopathic physician, dentist, podiatrist, chiropractic physician, or psychologist, the person providing the service must be licensed or certified to practice in New Mexico. In the

medical expenses incurred to calculate the medical care expense deduction, you cannot include expenses paid to a provider who does not meet this requirement.

An exception to the requirement for the doctor to be licensed or certified in New Mexico applies when medical expenses are for qualified long-term care services as defined in Section 7702B (c) of the IRC.

#### Requirement 2: Claim Only Unreimbursed and Uncompensated Expenses Not In Federal Itemized Deduction Amount

For purposes of the medical care expense deduction, you may claim only unreimbursed and uncompensated medical expenses **not** included in your itemized deduction amount on federal Form 1040, Schedule A. You may include on line 16 medical care expenses not included in the itemized deduction amount that are part of the federal 10%, or 7.5% if applicable, of adjusted gross income floor amount.

#### Ineligible Expenses

Reimbursed and compensated insurance premiums, like those paid with pre-tax dollars under cafeteria and similar benefit plans, are ineligible.

Do not claim payments to a veterinarian or veterinary clinic or any other expenses for family pets or other animals. These expenses are ineligible.

#### Eligible Expenses

Some of the expenses you may include are the following:

1. Amounts paid as premiums under Part B of Title XVIII of the Social Security Act (Medicare),
2. Amounts paid for a qualified long-term care insurance contract defined in Section 7702B(b) of the IRC, and
3. Unreimbursed insurance premiums and co-payments not deducted for federal purposes.

**NOTE:** Premiums paid with pre-tax dollars through payroll deductions are not eligible.

#### Additional Exemption and Tax Credit

If you or your spouse are at least 65 years old and you paid unreimbursed and uncompensated medical care expenses over \$28,000 during 2016, you may **also** be eligible to claim an exemption of \$3,000 and a tax credit of \$2,800.

For details, see the instructions for PIT-ADJ, line 17 and PIT-RC, line 23.

#### Definitions

The following definitions apply for purposes of this deduction:

1. "Health care facility" means a hospital, outpatient facility, diagnostic and treatment center, rehabilitation center, free-standing hospice, physician's office, or other similar facility, regardless of location, where medical care is provided and which is licensed by any governmental entity;
2. "Medical care" means the diagnosis, cure, mitigation, treatment or prevention of disease, or care for the purpose of affecting any structure or function of the body;
3. "Medical care expenses" means amounts paid for:
  - a. The diagnosis, cure, mitigation, treatment or prevention of disease, or care for the purpose of affecting any structure or function of the body, if **provided by a physician or in a health care facility**. Cosmetic surgery is not eligible;
  - b. Prescribed drugs or insulin, and oxygen. A "prescribed drug" is a drug or biologically active substance for use in or on humans that requires a prescription or administration by a person licensed to do so. Costs for over-the-counter drugs are not eligible. Prescribed drugs for animals are not eligible;
  - c. Qualified long-term care services as defined in Section 7702B (c) of the Internal Revenue Code;
  - d. Insurance covering medical care, including amounts you paid as premiums under part B of Title XVIII of the Social Security Act (Medicare) or for a qualified long-term care insurance contract defined in Section

## Worksheet for Calculating Tax on Lump-Sum Distributions

1. Taxable income from PIT-1, line 17 .....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 .....3. \_\_\_\_\_
4. ADD lines 1 and 3 .....4. \_\_\_\_\_
5. Enter the tax from the tax rate tables on the amount on line 4 .....5. \_\_\_\_\_
6. Enter the tax from the tax rate tables on the amount on line 1 .....6. \_\_\_\_\_
7. SUBTRACT line 6 from line 5 and enter difference .....7. \_\_\_\_\_
8. MULTIPLY the amount on line 7 by 5. (This is the additional averaged tax due on the lump-sum income.) Enter on PIT-1, line 19 .....8. \_\_\_\_\_

7702B (b) of the Internal Revenue Code, if the insurance or other amount is income for the tax year;

e. Nursing services, regardless of where the services are rendered, if provided by a practical nurse or a professional nurse licensed to practice in the state according to the Nursing Practice Act;

f. Specialized treatment or the use of special therapeutic devices if a physician prescribes the treatment or device, and the patient can show that the expense was incurred primarily for the prevention or alleviation of a physical or mental defect or illness. "Special therapeutic devices" include corrective eyeglasses, contact lenses and hearing aids prescribed by a physician. Expenses for guide dogs, however, are excluded;

g. Care in an institution other than a hospital, such as a sanitarium or rest home, if the principal reason for the presence of the person in the institution is to receive the medical care available. If the meals and lodging are a necessary part of such care, the cost of the meals and lodging are "medical care expenses";

4. "Physician" means a medical doctor, osteopathic physician, dentist, podiatrist, chiropractic physician or psychologist licensed or certified to practice in New Mexico.

### Keep Documentation of Expenses

Keep full documentation of all medical care expenses for which you claim a deduction. Receipts are necessary if you are selected for audit or verification of deductions claimed.

**IMPORTANT:** Do not send your documentation with your tax return.

### LINE 16a Unreimbursed and Uncompensated Medical Care Expenses

Enter the total of qualifying unreimbursed and uncompensated medical care expenses you used to calculate your medical care expense deduction claimed on line 16.

### LINE 17 New Mexico Taxable Income

Add lines 9, 10, and 11, then subtract lines 12, 13, 14, 15, and 16. If the result is negative, enter zero. This is your New Mexico taxable income.

**NOTE:** Line 18 shows your New Mexico tax due based on your calculation of New Mexico taxable income amount on line 17.

### Non-Residents Using Gross Royalty Income

If you are a non-resident and you elect to calculate tax on **gross** royalty income under \$5,000 using special procedures instead of filing a complete PIT-1 and PIT-B, enter your **gross**

royalty income from New Mexico sources on PIT-1, line 17 and enter **Y** in box 18a.

Calculate your tax by applying the tax rate tables to the **gross** royalty income.

**NOTE:** Only complete PIT-1 lines 1 to 8, 17, 18a, 22, 23, and 27 to 42.

For more information, see *Non-Residents and Royalty Income* on page 5 of these instructions.

### LINE 18 New Mexico Tax

Unless you qualify for Schedule CC, calculate your New Mexico tax by using one of these methods and then complete line 18a:

- If you have income from sources inside and outside New Mexico, use your entry on PIT-B, line 14.
- or**
- Use the rate tables from the PIT-1 instructions, starting on page 1T.

### About PIT-B and the Rate Tables

If you have income from sources inside and outside New Mexico, complete PIT-B to calculate your tax. Otherwise, use the tax rate tables.

If you use the rate tables, make sure to use the taxable income amount on line 17.

### About Schedule CC

If you qualify to file Schedule CC, *Alternative Tax Schedule*, enter **only** the amount from Schedule CC, line 3 on line 18. Schedule CC is for taxpayers who:

- Have no business activities in New Mexico other than sales,
- Do not own or rent real estate in New Mexico, **and**
- Have annual gross sales in or into New Mexico of \$100,000 or less.

### LINE 18a Rate Table Indicator

In the box on line 18a, enter **R** or **B** to show the source for calculating your tax:

- **B** = Schedule PIT-B
- **R** = Rate tables



**NOTE:** Non-residents may enter **Y** if a non-resident electing to use the special method for computing tax on gross royalty income. See the instructions for line 17 for more information.

#### LINE 19

##### Additional Amount for Tax on Lump-Sum Distributions

If you received a lump-sum payment and you are using the special federal 10-year tax option on federal Form 4972, you are eligible to use New Mexico's averaging method.

If you did not use the federal averaging methods available on federal Form 4972, you are not eligible to use the New Mexico averaging method.

To calculate your New Mexico averaged tax, use *Worksheet for Calculating Tax on Lump-Sum Distributions* on page 28. Take the amount on line 8 of the worksheet, and enter it on PIT-1, line 19 for tax on lump-sum distributions.

##### If You File Schedule PIT-B

If you have income sources inside and outside New Mexico and file PIT-B, on PIT-B, line 3, allocate to New Mexico the part of the lump-sum distribution you received while you were a resident.

If you are a **full-year resident or a resident** because you were physically present in New Mexico for 185 days or more, you must allocate to New Mexico the lump-sum distribution you received during the entire year. If you are a first-year resident or a part-year resident, allocate only the amount of lump-sum distribution you received while a resident of New Mexico.

**IMPORTANT:** If you used PIT-B to calculate New Mexico tax liability on line 18, and you also used the federal special tax option and New Mexico averaging methods to calculate tax on a lump-sum distribution on line 19, do **not** add line 19 when completing PIT-1, line 22 as instructed. Instead subtract the sum of lines 20 and 21 from the amount you entered on PIT-1, line 18. Skip line 19.

You do not need to add PIT-1, line 19 when completing PIT-1, line 22 because the New Mexico part of line 19 (lump-sum distributions) is included in PIT-B, line 14.

#### LINE 20

##### Credit for Taxes Paid to Another State

A **resident** of New Mexico 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.

**IMPORTANT:** This credit is for tax that another state imposes on any part of income that by law is included in New Mexico net income. When calculating the allowable credit, do **not** include tax withheld. 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 your PIT-1,
- The tax you paid to the other state, **and**
- The amount of New Mexico income tax liability calculated on the part of income taxed in both states.

Complete the worksheet on the previous page and attach all of the following to your PIT-1:

- A copy of the worksheet(s), and
- Income tax return(s) from the other state(s).

##### Income on Schedule PIT-B

Income allocated or apportioned outside New Mexico on PIT-B does not qualify for credit for taxes paid to another state on that same income.

"State" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any political subdivision of a foreign country. "State" does not include the central governments of foreign countries.

Income tax you paid to any municipal-ity, county, or other political subdivision

of a state, or to any central government of a foreign country, does not count toward the credit.

**IMPORTANT:** If you file a Schedule PIT-B, a credit for tax paid to another state is only allowed when you enter income that must be allocated or apportioned to New Mexico in PIT-B, column 2. Income that is **not** required to be allocated or apportioned to New Mexico does **not** qualify for the credit for taxes paid to another state.

**Example 1.** A New Mexico resident's interest earned from an investment in Arizona is allocated to New Mexico on PIT-B, column 2. The resident can claim the credit for taxes paid to another state when the interest income is:

- Required to be allocated to New Mexico **and**
- Taxed in Arizona.

**Example 2.** A New Mexico resident allocates rental income from property located outside of New Mexico on PIT-B. The resident cannot claim credit for tax paid to another state because the resident did not include that income on PIT-B, column 2.

**NOTE:** Effective for retirement income received after December 31, 1995, federal law prohibits any state from taxing certain retirement income (mainly pension income) unless you are resident of, or domiciled in, that state. For example, if you receive a pension from your former California employer and you now reside in New Mexico, California may not tax your retirement income. Because you are now a New Mexico resident, your retirement income is taxable in New Mexico.

##### New Mexico Taxpayers with Permanent Home in Other States

Some taxpayers have permanent homes in other states, **and** they are physically present in New Mexico for at least 185 days during the tax year. If you are one of these taxpayers, you must file as a resident of New Mexico.

Allocate your income to New Mexico as a resident on PIT-B. If you qualify, you may take a credit for taxes paid to your home state on PIT-1, line 20.

## 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.

	COLUMN 1 from the New Mexico return	COLUMN 2 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 PIT-1, line 17 (New Mexico Taxable Income) multiplied by the New Mexico percentage, if any, on PIT-B, line 12.....	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 (for example, 0.0463).....	3. _____	3. _____
4. From each state's return, enter the part 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 your 2016 PIT-1, line 20. If you claim a credit for tax paid to multiple states, total the amounts on line 6 from the worksheets you completed for each state, and enter the sum on 2016 PIT-1, line 20.

If you are claiming credit for taxes paid to another state on PIT-1, line 20,  
attach the worksheet(s) to your 2016 PIT-1.

## **LINE 21**

### **Business-Related Income Tax Credits Applied**

If you are eligible to claim one of the business-related income tax credits listed, do the following:

- Complete PIT-CR.
- From PIT-CR, line A, enter the total amount you claimed and applied to your tax due in PIT-1, line 21,
- From PIT-CR, line B, enter the total amount of tax credit that may be refunded to you, on PIT-1, line 26. See instructions for line 26,
- Attach Schedule PIT-CR (and any required forms or documentation to support your claim) to your PIT-1.

The business-related income tax credits you may be eligible to claim against your New Mexico personal income taxes are listed here:

- Affordable Housing Tax Credit,
- Angel Investment Credit,
- Agricultural Water Conservation Tax Credit,
- Advanced Energy Tax Credit,
- Agricultural Biomass Income Tax Credit,
- Business Facility Rehabilitation Credit,
- Blended Biodiesel Fuel Tax Credit,
- Cancer Clinical Trial Tax Credit,
- Electronic Card-Reading Equipment Tax Credit,
- Geothermal Ground-Coupled Heat Pump Tax Credit,
- Job Mentorship Tax Credit,
- Land Conservation Incentives Credit,
- Preservation of Cultural Property Credit,
- Rural Job Tax Credit,
- Rural Health Care Practitioners Tax Credit,
- Solar Market Development Tax Credit,
- Sustainable Building Tax Credit,
- Technology Jobs (Additional) Tax Credit,

- Technology Jobs and Research and Development (Additional) Tax Credit,
- Veterans Employment Tax Credit
- Film Production Tax Credit, and
- Renewable Energy Production Tax Credit.

For information about these credits, see the instructions for PIT-CR.

## **LINE 22**

### **Net New Mexico Income Tax**

To find your net New Mexico income tax in all cases, except the PIT-B situation described next, do the following:

1. Add lines 18 and 19.
2. Add lines 20 and 21.
3. From the result of step 1, subtract the result of step 2. This amount cannot be less than zero.

### **Calculation When Using PIT-B and Claiming Additional Amount of Tax on Lump-Sum Distributions**

Although PIT-1, line 22 says to add line 19, do not add line 19 if **both** of the following are true:

- For PIT-1, line 18, you used PIT-B to calculate your New Mexico tax liability.
- For PIT-1, line 19, you used the New Mexico averaging method to calculate tax on a lump-sum distribution.

If both are true, calculate your net New Mexico income tax for line 22 by following these steps:

1. Add lines 20 and 21.
2. From the amount on line 18, subtract the result of step 1.

In this case, you do not add PIT-1, line 19 when completing PIT-1, line 22. The New Mexico part of line 19 (lump-sum distribution) is already included in PIT-B, line 14.

## **LINE 24**

### **Total Claimed on Rebate and Credit Schedule**

If you claim any of the following special New Mexico rebates or refundable credits, complete and attach PIT-RC

to your PIT-1:

- Low income comprehensive tax rebate;
- Property tax rebate (for low-income persons 65 or older);
- Additional low income property tax rebate for Los Alamos or Santa Fe County residents;
- Child day care credit;
- Refundable medical care credit for persons 65 years of age or older; and
- Special needs adopted child tax credit.

## **LINES 25 and 25a**

### **Working Families Tax Credit**

If you were a New Mexico resident during any part of 2016 and you file a PIT-1, you may claim the working families tax credit. The credit is 10% of the earned income credit (EIC) for which you are eligible the same tax year.

The EIC is a refundable federal income tax credit for low income working individuals and families. The credit reduces the amount of federal tax you may owe and may increase your refund from the IRS.

If you qualify for the working families tax credit, and the credit exceeds your income tax liability for the tax year of the claim, you may receive a refund.

**IMPORTANT:** You must complete both lines 25 and 25a, or the credit will be denied.

On line 25a, enter the amount of EIC you reported on your 2016 federal Form 1040, 1040A, or 1040EZ.

To find the entry for line 25, multiply the amount on line 25a by 0.10 (10%) and round the result to the nearest dollar.

### **For More Information**

To see all the requirements for claiming the EIC, read the rules in the federal 1040, 1040A, or 1040EZ tax packages or see IRS Publication 596, *Earned Income Credit (EIC)*. You may also read about the EIC on the IRS website at [www.irs.gov](http://www.irs.gov) and download the

**A payment for gross receipts tax, withholding tax, compensating tax, or any other type of tax due to the State of New Mexico is not a payment towards your personal income tax liability. Do not include these payments as “tax withheld,” “estimated,” or “other” payments on your PIT-1.**

publication from the site.

**LINE 26**  
**Refundable Business-Related Income Tax Credits**

From PIT-CR, line B, enter the total amount of your refundable part of the following tax credits.

- Film Production Tax Credit,
- Renewable Energy Production Tax Credit, and
- Technology Jobs and Research and Development (Additional) Tax Credit.

Line 26 shows the refundable amount of business-related income tax credits you may claim.

**LINE 27**  
**New Mexico Income Tax Withheld**

Except for income from oil and gas proceeds and income from pass-through entities (covered in lines 28 and 29), enter the total of all your other New Mexico income tax withheld. These are shown on your annual withholding statements, including Form(s) W-2, W-2G, 1099, 1099-R, and 1099-MISC. Attach a copy of the forms to your PIT-1.

**Payments You Cannot Include**

Do not include income tax withheld from your share of the net income of a pass-through entity or from oil and gas proceeds.

Do not include any payment you made for gross receipts tax, withholding tax, compensating tax, or any other type of tax due to the State of New Mexico. These payments are not payments towards your personal income tax liability. They are not considered “tax withheld,” “estimated,” or “other” payments on your PIT-1.

**Tax Withheld in Error**

If New Mexico tax was withheld in error on your wages, salary, or tips, and

you had no income tax responsibility to New Mexico on that income, obtain a letter from your employer or payor. The letter must include both of the following:

- Explain the cause of the error.
- State that no New Mexico income tax was due on the income reported.

If New Mexico tax was withheld in error on your pension or annuity, and you had no income tax responsibility to New Mexico on that income, provide one of the following:

- A copy of the state income tax return for the state in which you are domiciled; or
- Other information showing your residency in an other state.

**LINE 28**  
**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 as shown on your annual withholding statements, 1099-MISC, **and** RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*. Attach a copy of the forms to your PIT-1.

An entity that has had tax withheld cannot pass a withholding statement directly to another taxpayer. Generally, the recipient of the withholding statement must file and report the tax withheld on its New Mexico income tax return.

However, if you are a remittee who receives oil and gas proceeds from which tax was withheld, and you must pass the oil and gas proceeds and the tax withheld to another remittee, you may do so by issuing an annual withholding statement, Form RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*, to the next remittee.

After receiving the annual withholding

statements, remittees may then claim the withholding on their income tax returns.

**LINE 29**  
**New Mexico Income Tax Withheld From a Pass-Through Entity**

Enter the total New Mexico income tax withheld from the net income of pass-through entities (PTEs) as shown on your annual withholding statements, 1099-MISC, or Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*. Attach a copy of the form(s) to your PIT-1.

An entity that has had tax withheld cannot pass a withholding statement directly to any other taxpayer. This includes its owners, members, partners, or beneficiaries. Generally, the recipient of the withholding statement must file and report the tax withheld on its New Mexico income tax return.

However, if a recipient is also a PTE, after filing and reporting, this PTE may pass tax withheld to its owners, members, partners, or beneficiaries. The PTE passes the tax withheld by issuing an annual withholding statement, Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding* to its owners, members, partners, or beneficiaries. The recipients may then claim the withholding on their income tax returns.

**LINE 30**  
**2016 Estimated Income Tax Payments**

Enter the total of New Mexico estimated tax payments you made for 2016 as shown in your records. Include all of the following:

- Estimated payments you made with PIT-ES payment vouchers;
- Your last installment payment, even if you pay it in 2017; and
- Overpayments from your 2016 return that you applied to your 2017 taxes.



**Do Not Include These Payments**

Do not include any of the following payments:

- Extension payments you made with PIT-EXT payment vouchers;
- Any return payments you made with PIT-PV payment vouchers; and
- PIT-EXT or PIT-PV payments you made through the Department website.

**NOTE:** Report extension and return payments on PIT-1, line 31.

**DIFFERENT NAME OR SSN**

If you made any estimated payments using a different name or SSN, attach a schedule to your return showing how you made each estimated payment.

**Example.** Before her marriage in August 2016, a taxpayer made two estimated tax payments in her name and SSN only. She made two additional estimated tax payments after the marriage, but they showed her new spouse's name, and SSN.

She enters the total of all estimated payments on PIT-1, line 30. She also attaches a schedule that shows the name(s) and SSN(s) reported with each estimated tax payment.

**IMPORTANT:** A payment for gross receipts tax, withholding tax, compensating tax, or any other type of tax due to the State of New Mexico is not a payment towards your personal income tax liability. Do not include these payments as "tax withheld," "estimated," or "other" payments on your PIT-1.

**LINE 31  
Other Payments**

Enter the total payments you made toward your 2016 personal income tax liability that are not included on line 30, including:

- Extension payments you made with PIT-EXT payment vouchers;
- Return payments you made with PIT-PV payment vouchers;
- PIT-EXT or PIT-PV payments you made through the Department website.

**IMPORTANT:** You do not need to include any payments you attach to your return or payments you submit after you file the return.

**LINE 32  
Total Payments and Credits**

Add lines 24 through 31, and enter the total here.

**LINE 33  
Tax Due/Amount You Owe**

If line 23 is greater than line 32, the difference is the amount of tax you owe. Subtract line 32 from line 23, enter the difference here.

**LINE 34  
Penalty on Underpayment of Estimated Tax**

This line is only for taxpayers who owe an underpayment penalty. Leave the line blank in these situations:

- You do not owe an underpayment penalty.
- You owe an underpayment penalty and you want the Department to calculate the penalty for you.

If you want to calculate the penalty, enter the amount of penalty on the underpayment of estimated tax you owe.

For details about calculating penalty, see the instructions for PIT-ES, *Personal Income Estimated Tax Payment Voucher*.

**NOTE:** The rate used to calculate penalty on underpayment of estimated tax is subject to change quarterly.

**Department Process for Penalty Due**  
The Department sends you a bill or if you are due a refund, reduces your refund by the amount of the penalty due.

**LINE 35  
Special Method Allowed for Calculation of Underpayment of Estimated Tax Penalty**

Generally, taxpayers who pay penalty on underpayment of estimated tax using the standard method of computing penalty on underpayment of estimated tax, do not need to make an entry in

the box on line 35 or file RPD-41272. However, if you owe penalty for underpayment of estimated payments, and you qualify for one of the special methods allowed. By using one of the special methods to calculate underpayment of estimated tax, you may be able to reduce or eliminate penalty if you qualify.

To use a special method, you must meet two requirements and then enter a number from 1 to 5 in the box on line 35 to identify the method.

**Two Requirements for Using a Special Method**

You can use a special method if **both** the following are true:

- You owe penalty for underpayment of estimated personal income tax using the standard method of calculating the penalty.
- You qualify for a special penalty calculation method, which reduces the amount of penalty due.

**Identify the Special Method You Use**

If both conditions described are true, enter 1, 2, 3, 4, or 5 in the box on line 35 to indicate the method you elect to calculate your underpayment penalty. To use the special penalty calculation, the Department requires you to complete and attach Form RPD-41272, *2016 Calculation of Estimated Personal Income Tax Underpayment Penalty*, to your PIT-1.

For a description of the calculation methods and the meaning of the entries 1, 2, 3, 4, or 5, see RPD-41272 or the instructions for PIT-ES, *Personal Income Estimated Tax Payment Voucher*.

Leave the box blank when:

- You owe penalty on underpayment of estimated tax using the standard method of calculating the underpayment penalty, and you do not qualify for one of the special methods, and
- You do not owe penalty on underpayment of estimated tax.

## LINE 36 Penalty

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

Calculate penalty by multiplying the unpaid amount of tax due on line 33 by 0.02 (2%). Then multiply this product by the number of months or partial months for which your return or payment is late. The result cannot exceed 20% of the tax due.

If you want the Department to calculate the penalty for you, leave the line blank. The Department calculates the penalty and sends you a bill.

For more information, see *Interest and Penalties* in these instructions.

## LINE 37 Interest

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

If you want the Department to calculate interest for you, leave the line blank. The Department calculates the interest and sends you a bill for interest due.

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

**Interest Calculated on a Daily Basis**  
Interest is calculated on a daily basis at the rate established for individual income tax purposes by the IRC.

**Formula to Calculate Daily Interest**  
Tax due x daily interest rate for the quarter x number of days late = interest due.

### Interest Changes Quarterly

The IRC interest rate changes quarterly. The annual rate for the four quarters of the 2016 tax year was 3%-4%. The IRS announces the IRC rate for each quarter in the last month of the previous quarter.

The annual and daily interest rate for each quarter is posted on the Department website at [www.tax.newmexico.gov](http://www.tax.newmexico.gov). In the black navigation bar at the top, click **INDIVIDUALS**. Then in the left navigation bar, click **File Your Taxes** and click **Penalty & Interest Rates**.

## LINE 38 Tax, Penalty, and Interest Due

Add lines 33, 34, 36, and 37 and then enter the total amount due.

## LINES 39 through 42 Overpayment/Refund

If line 23 is less than line 32, you have an overpayment. Subtract line 23 from line 32, and enter the difference on line 39.

If you have penalty or interest due from lines 34, 36, or 37, reduce your overpayment by the sum of the amounts in those lines. If you owe penalty or interest the Department will reduce your overpayment by penalty and interest amounts.

You can handle your overpayment in any or a combination of the following ways:

- You can use it for voluntary fund contributions. To do this, enter the amount you wish to contribute on line 40 and attach Schedule D to your PIT-1. For information, see Schedule D, *New Mexico Voluntary Contributions Schedule*.
- You can apply your overpayment to your 2016 estimated tax. To do this, enter the overpayment amount you wish to carry forward to the next

year, on line 41.

- You can have the Department refund all or part of your overpayment to you. To do this, enter the amount on line 42.

**Important:** An overpayment credited toward your 2016 estimated tax cannot be refunded until you have filed your 2016 tax return in 2017.

Unless you attach to your return a signed statement asking for a refund of one dollar or less, the Department does not refund that amount.

### Receiving a Paper Check in the Mail

If you request an amount to be refunded to you on line 42, and you leave the **Refund Express** section blank (below line 42 and described next), the Department mails a paper check to the address on your return.

### REFUND EXPRESS SECTION

Use the **Refund Express** section (below line 42) to request a direct deposit of your refund. If you request an amount to refund to you on line 42, the Department can refund your tax by depositing it directly into your bank account with **Refund Express**.

**IMPORTANT:** This is **only** available for deposits to the taxpayer's account. You may not request deposit of refunds into another person's account. The Department is not responsible for the misapplication of a direct deposit refund caused by the error, negligence, or malfeasance on the part of the taxpayer.

### Receiving a Direct Deposit

To receive a direct deposit, complete all the information requested in the

WALTER MAPLE  
MARIE MAPLE  
123 Main Street  
Anyplace, NM 87000

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_

ANYPLACE BANK  
Anyplace, NM 87000

For \_\_\_\_\_

Routing Number \_\_\_\_\_ Account Number \_\_\_\_\_

Do not include the check number

A 211500151 A 2015551517 C 1540

1540  
15-000000000

1540

### **Refund Express** section:

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

**IMPORTANT:** All fields are required. Failure to complete all four fields properly causes denial of your request. In that case, the Department mails you a paper check. The Department also mails you a paper check if your bank does not accept your **Refund Express** information.

### **Bank Routing Number**

The routing number identifies your bank. If the first two digits are not a number from 01 to 12 or 21 to 32, the system rejects the direct deposit and issues you a check. On the sample check below the routing number is 211500151.

**IMPORTANT:** A bank routing number must have nine digits.

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

### **Bank Account Number**

Your account number can be up to 17 characters. Include hyphens, but omit spaces and special symbols. On line RE.2, enter the account number from left to right leaving unused boxes blank. On the sample check below, the account number is 2015551517. Do **not** include the check number in your account number.

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

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

To comply with federal banking rules, you must indicate whether the refund will go to or through an account outside

the United States in question RE.4. If it is, you may not use this refund delivery option. You may use a different bank account or leave the Refund Express portion blank and a paper check will be mailed to the address on the return.

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

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

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

### **Benefits of Using Refund Express**

These are some of the benefits of using **Refund Express**:

- Avoid delays that may occur in mailing a check. Refund Express does not guarantee that you will receive your refund check earlier. Only that, when the check is issued, it will reach the bank more quickly.
- Your payment is more secure. A paper check can get lost or stolen.
- Direct deposit is more convenient. You save yourself a trip to the bank.
- A direct deposit saves tax dollars. It costs less than a check.
- Direct deposit is environmentally friendly. Refunds deposited directly into your account save paper.

### **PAID PREPARERS USE ONLY SECTION**

Anyone you pay to prepare your return must enter the following information in the **Paid preparer's use only** section on PIT-1, page 2:

- Signature (by hand or any other method of electronic signature acceptable to the IRS) and date;
- The firm's name or, if you are self-employed, your name;
- New Mexico 11-digit CRS number (see next paragraph);
- Preparer Tax Identification Number

(PTIN);

- Federal Employer Tax Identification Number, if applicable;
- Phone number; and
- Indicator for Form RPD-41338.

### **About the CRS Number**

A paid preparer who is not required to have a New Mexico CRS identification number is not required to complete this field. Generally, persons are required to obtain a CRS identification number if **any** of the following are true:

- They perform services in New Mexico.
- They have an employee or a business location in New Mexico.
- They sell property in New Mexico.
- They lease property employed in New Mexico.

### **RPD-41338, Right To Waive Electronic Filing Requirement**

A taxpayer whose return is prepared by another person may elect to waive the tax preparer's requirement to file by electronic media.

If you do not want your preparer to file your return by Department-approved electronic media, the preparer must do the following:

- Keep on file a signed Form RPD-41338, *Taxpayer Waiver for Preparers Electronic Filing Requirement*.
- In the **Paid preparer's use only** section, mark **X** in the box to indicate the preparer has an RPD-41338 on file for you.

Do not submit RPD-41338 to the Department with your return.

### **Preparer Who Does Not Charge You**

If someone prepares your return and does not charge you, that person does not sign the return. However, the Department recommends that you make sure to keep a record of:

- The name of the person who prepared your return **and**
- The person's phone number or other contact information.

This information is important in case questions come up after filing your return.



For more information about paid preparers and requirements that apply to them, see *Interest and Penalties* on page 16.

## COLLECTION OF DEBTS FROM YOUR REFUND

If you owe other taxes to the Department, the Department keeps all or part of your overpayment. The Department applies that amount to your liability.

If you owe money for past due child support, educational assistance loans, unemployment compensation, medical support, public assistance or food stamp overpayments, fines, workers' compensation fees, or fees and costs owed to district, municipal, magistrate, or metropolitan courts, the law also requires the Department to transfer all or part of your overpayment to those entities.

The Department refunds any amount over your liability and debt to you.

**IMPORTANT:** If you receive notification that all or part of your refund was transferred to one of the following agencies and you want to protest that action, contact the agency. The addresses and phone numbers are provided here for your convenience. If your refund was transferred to a claimant agency in error, that agency is required to correct the error and issue you a refund.

### Educational Assistance

NM Educational Assistance  
Foundation

Loan Servicing Department  
Collections  
P.O. Box 27020  
Albuquerque, NM 87125  
(505) 345-3371

### Child Support

Human Services Department  
Child Support Enforcement Division  
P.O. Box 25110  
Santa Fe, NM 87504  
ph (505) 827-7206, fax (505) 827-7285  
ph (800) 288-7207 in state  
ph (800) 585-7631 out of state

### Financial Assistance

Human Services Department  
Accounts Receivable Bureau

Restitution Unit  
P.O. Box 2348  
Santa Fe, NM 87504-2348  
(800) 431-4593

### Department of Workforce Solutions

New Mexico Department of Workforce  
Solutions  
Unemployment Insurance Benefit  
Payment Control  
P.O. Box 1928  
Albuquerque, NM 87103  
(877) 664-6984

### Administrative Office of the Courts

(for information on specific courts)  
Warrant Enforcement Division  
237 Don Gaspar, Room 25  
Santa Fe, NM 87501  
(505) 867-4360 or (575) 524-5860

### Workers' Compensation Fee

Workers' Compensation Administration  
Financial Management Bureau  
P.O. Box 27198  
Albuquerque, NM 87125-7198

2410 Centre Ave. SE  
Albuquerque, NM 87106  
(505) 841-6000

## PAYING YOUR TAX LIABILITY

You can pay your tax liability through the Internet or by mail.

### Paying Through the Internet

On the Department website, you may pay by electronic check at **no charge**. Your electronic check authorizes the Department to debit your checking account in the amount and on the date you specify.

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.

You can file your return and pay through Taxpayer Access Point (TAP) at <https://tap.state.nm.us>. Under **PERSONAL INCOME**, do the following:

- To file, click **File a 2016 Return**.
- To pay now, click **Make a Payment**.

**NOTE:** After you submit your return, you can pay from the page that shows your confirmation number. The **Make a Payment** button is at the top of that page.

### Paying by Mail

If you owe one dollar or more, complete the PIT-PV payment voucher. Include full payment with the voucher and make your check or money order payable to **New Mexico Taxation and Revenue Department**.

Write your social security number and **2016 PIT-1** on your payment.

It is important to follow these rules:

- Never send cash;
- Only submit a payment voucher if you include a check or money order payment;
- Submit only high-quality printed, original vouchers. Do not photocopy vouchers.

When you provide a check as payment, you authorize the Department to use information from your check to make a one-time electronic fund transfer from your account. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment.

### Voucher Requirements

Because the Department uses high-speed scanners to process payment vouchers, a high-quality form helps ensure accuracy.

When printing the voucher from the Internet or a software product, prevent resizing by setting the printer's page scaling function to **none**.

The scanners can read only one page size to process vouchers, so it is important to **cut only on the dotted line**.

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.

**IMPORTANT:** Do **not** combine payment for the amount due on your return with payment for any other tax



or estimated payments for 2016. If you combine payments, it is likely they will not be credited to your account as you want.

## BEFORE FILING YOUR RETURN

Now that you have completed your PIT-1, use the checklist on page 39 and follow these final steps:

1. Check the figures and your arithmetic on your PIT-1 and on all your attachments. Make sure these are original, official PIT-1 form and schedules.
2. If you created a working PIT-1, use blue or black ink to carefully transfer your figures onto the clean PIT-1 you plan to submit.
3. At the bottom of page 2, sign and date your PIT-1. If you are married and filing a joint return, both spouses must sign the return.

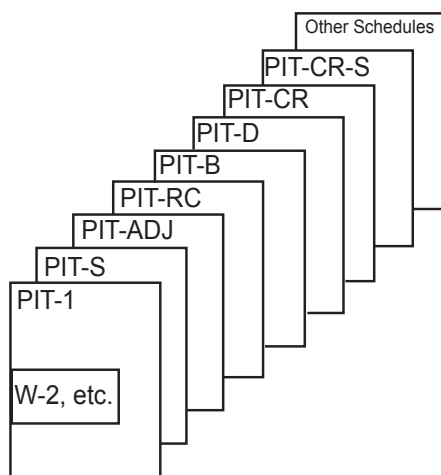
**NOTE:** Parents of minor children, guardians of dependent taxpayers, surviving spouses, or estate administrators must sign the tax return on behalf of the minor child, dependent, or deceased taxpayer. Print or type the relationship under the signature.

**IMPORTANT:** If you do not sign your return, the Department cannot process it.

4. Below the signature, the taxpayer and, if married filing joint, the spouse, is required to enter their state issued driver's license or state issued identification card number and a two digit state code identifying the state issuing the identification number. Also enter the expiration date of driver's license or state issued identification number. Help us help you! These identification numbers will be used as an additional level of verification to help protect your personal information from identity theft and fraudulent returns. If the taxpayer and, if married filing joint, the spouse does not have a current state issued driver's license or state issued identification card number, write "NONE" in the spaces provided. If this field is left blank, it will increase the time it

takes to process your tax return and may be rejected.

5. Below the signature(s), enter your phone number and email address.
6. If you paid a preparer, the preparer must sign your return.
7. If your return shows tax due on line 39, complete the PIT-PV payment voucher.
8. Assemble your return (and payment voucher if your return shows tax due) as shown for most efficient processing.



**IMPORTANT:** Do not use staples or tape to assemble your return.

## PIT-1 Followed by Schedules in This Order

- 2016 PIT-1
- 2016 Schedule PIT-S, if required
- 2016 Schedule PIT-ADJ, if required
- 2016 Schedule PIT-RC, if required
- 2016 Schedule PIT-B, if required
- 2016 Schedule PIT-D, if desired
- 2016 Schedule PIT-CR, if required
- 2016 Schedule PIT-CR-S, if required
- Other required schedules or attachments

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

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

PIT-PV	
Check or Money Order	
\$ _____	

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

9. Make a copy of your original return and attachments, and keep it in a safe place in case you need to refer to it later. If someone prepares your return for you, get a copy for your records.

## FILING YOUR RETURN

Mail or electronically file your return and attachments. Include copies of your annual statements of income and withholding forms W-2 or other annual income or withholding statements.

## Where to Mail a Return WITHOUT a Payment

If you are **not** mailing a payment with your return, mail your refund return or other return to:

NM Taxation and Revenue Dept.  
P.O. Box 25122  
Santa Fe, NM 87504-5122

## Where to Mail a Return WITH a Payment

If you **are** mailing a payment with your return, mail your return, payment, and voucher to:

NM Taxation and Revenue Dept.  
P.O. Box 8390  
Santa Fe, NM 87504-8390

## RECOMMENDATIONS

The Department encourages all taxpayers to file electronically whenever possible. Electronic filing is fast, safe, and secure. It provides the fastest turnaround for a refund and saves tax dollars. A return filed electronically costs less than a paper return.

Taxpayers who file and pay electronically receive a filing deadline extension of May 1, 2017. For all other taxpayers, the filing deadline is April 18, 2017.

## **How To Check the Status of Your Refund**

To obtain the status of your refund you may:

- Go to the Departments home page at [www.tax.newmexico.gov](http://www.tax.newmexico.gov) and click on “Where is my refund?” You will need your SSN or ITIN, and the refund amount to see the status.
- You may also log in to your Taxpayer Access Point account to get more information.

### **When to Call**

If you don't see the status of your refund using these methods, refer to the processing times below and try again later.

- These times determine when you should be able to view the status of your refund. For electronically filed returns, please wait 4 weeks before calling the Department. Electronically filed returns are generally processed within 4 weeks or less.
- For paper returns or applications for a tax refund, please wait 12 weeks before calling the Department. Paper filed returns and applications for a tax refund are processed within 8 to 12 weeks.

If sufficient time has passed for your refund to be processed, and you are still not able to review the status of your refund, contact us at (866) 285-2996 or (505) 841-6352.

Note: The New Mexico Taxation and Revenue Department has substantially increased their enforcement efforts to combat IDENTITY THEFT and REFUND FRAUD. This enhanced review process could increase the time it takes to process your tax refund, and additional documentation may be required from you to verify your refund claim. Thank you for your patience and cooperation with our efforts to protect your identities and your tax dollars.

### **What You Need**

When you call or visit us on the web, make sure to have a copy of your tax return and related information.

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# Filing Checklist

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- ☐ Are name(s) and address complete, correct, and legible?
  - ☐ Are SSNs legible, accurate, and entered on both pages of each form or schedule where indicated?
  - ☐ If filing married filing separately, are your spouse's name and SSN included?
  - ☐ Did you include W-2 forms and other income and withholding information returns that show New Mexico income and tax withheld?
  - ☐ If PIT-1, line 11 or line 15 has an entry, did you include Schedule PIT-ADJ?
  - ☐ If PIT-1, line 21 and line 26 has an entry, did you include Schedule PIT-CR?
  - ☐ If PIT-1, line 24 has an entry, did you include Schedule PIT-RC and, if required, did you answer questions A, B, C, and D on PIT-RC?
  - ☐ If required, did you include Schedule PIT-B?
  - ☐ If PIT-1, line 40 has an entry, did you include Schedule PIT-D?
  - ☐ Have you checked the arithmetic on your forms? Are all required fields complete and correct?
  - ☐ Did you remember **not to staple or tape** the forms and attachments?
  - ☐ Is the return properly signed and dated? Is a contact phone number and email address included at the bottom of PIT-1, page 2?
  - ☐ Did you prepare the original forms for mailing to the Department and make a copy of **all** documents for your records?
  - ☐ If tax is due, did you prepare a PIT-PV payment voucher and check or money order for the full amount to mail to P.O. Box 8390, Santa Fe, NM 87504-8390? Are SSNs and **2016 PIT-1** written on your check? Did you make your check or money order payable to New Mexico Taxation and Revenue Department?
- NOTE:** The Department supports fast filing electronic payments with an E-Check or credit card at <https://tap.state.nm.us>.
- ☐ If you are due a refund, did you make sure the address on the front of your PIT-1 is where you want your refund mailed?
  - ☐ If you must make estimated tax payments for tax year 2017, did you mail a PIT-ES payment voucher and check or money order to P.O. Box 8390, Santa Fe, NM 87504-8390? Did you write all SSNs and **2017 PIT-ES** on your check? Did you make your check or money order payable to New Mexico Taxation and Revenue Department?

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# New Mexico Taxpayer Bill of Rights

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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 Sections 7-1-4.1 through 7-1-4.3 NMSA 1978:

- The right to available public information and prompt and courteous tax assistance;
- The right to representation and advice by counsel or other qualified representatives at any time during your interactions with the department according to provisions of Section 7-1-24 NMSA 1978, or with the Administrative Hearings Office in accordance with the provisions of the Administrative Hearings Office Act;
- The right to have audits, inspections of records and meetings conducted at a reasonable time and place according to Section 7-1-11 NMSA 1978;
- The right to simple, non-technical 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 Section 7-1-24 NMSA 1978 and the Administrative Hearings Office Act;
- The right to have your tax informa-

tion kept confidential unless otherwise specified by law in Sections 7-1-8.1 through 7-1-8.10 NMSA 1978;

- The right to an abatement of an assessment of taxes incorrectly, erroneously or illegally made (Section 7-1-28 NMSA 1978) and a right to seek a compromise of an asserted tax liability. When the Secretary of Taxation and Revenue in good faith doubts that you owe us what we claim you owe, you also have the right to seek a compromise if one exists in your particular case (Section 7-1-20 NMSA 1978);
- The right to clear information of the consequences if a tax assessment is not paid, secured, protested or otherwise provided for according to Section 7-1-16 NMSA 1978. If you become a delinquent taxpayer, upon notice of delinquency you have the right to timely notice of collection actions that require sale or seizure of your property under the Tax Administration Act, and
- The right to pay your tax obligations by installment payment agreements according to the provisions of Section 7-1-21 NMSA 1978.

## Confidentiality Provisions:

Statutes regulating the confidentiality of your taxes continue to be strict. The Legislature included language in Section 7-1-8 NMSA 1978 requiring 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 the provisions of the Administrative Hearings Office Act 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 hearing officer may not engage or participate in any way in the enforcement or formulation of general tax policy other than to conduct hearings. You may request the Chief Hearing Officer of the Administrative Hearings Office determine if a hearing officer has engaged or participated in the enforcement or formulation of tax policy and if the hearing officer's activities have affected his or her impartiality. The Chief Hearing Officer may designate another hearing officer for the matter. Hearing officers may not communicate unilaterally about a matter you have protested while that matter is still pending.



The chief hearing officer may appoint another 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 may be entitled to a judgment or a settlement

for reasonable administrative costs connected to the action.

**Penalty:**

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

## **REMINDER**

**Write your correct social security number (SSN)  
on ALL forms, schedules, payments, and correspondence.**

**You can file your return online and pay through  
Taxpayer Access Point (TAP)  
at  
<https://tap.state.nm.us>**

**Our TAP services let you:**

- **File online**
- **Pay with an E-Check or a credit card (Visa, MasterCard, American Express, or Discover Card)**  
A 2.40% convenience fee is added for credit card payments.
- **Manage your New Mexico tax accounts and grant third-party access**
- **View tax information and letters sent by the state**
- **Register your business**

**TAP also gives you email and phone contacts for tax specialists who can answer your questions.**

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## QUICK REFERENCE LINE INSTRUCTIONS FOR 2016 PIT-1

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### New Mexico Personal Income Tax (PIT) Return

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#### GENERAL INFORMATION

This Quick Reference for your *New Mexico Personal Income Tax* (PIT-1) Return is a summary to help you complete your PIT-1 faster. It is not intended to replace the full instruction set.

Depending on your tax situation and your understanding of the New Mexico tax laws, you may want to read the full instructions for some items. *What to Know and Do Before You Begin* gives a good overview and begins on page 18 of the full instructions. Detailed line instructions begin on page 21.

#### Who Must File the PIT-1 Return

New Mexico's law says every person with income from New Mexico sources required to file a federal income tax return must file a New Mexico PIT-1.

This includes non-residents with income from every New Mexico source, including wages, rents, royalties, businesses, and estates. Even foreign nationals and people who reside in states that do not have income taxes must file in New Mexico when they have income from any New Mexico source whatsoever and are required to file a federal return.

**IMPORTANT:** The tax year on your PIT-1 must match the tax year of your federal return. Do not file short year returns unless allowed by the Internal Revenue Code.

If you are a resident of New Mexico, you also must file a New Mexico return if any of the following are true:

- You want to claim a refund of any New Mexico state income tax withheld from your pay.
- You want to claim any New Mexico rebates or credits.

#### GETTING STARTED

Follow these steps before you start filling out your PIT-1:

1. Prepare your federal return. Even if you are not required to file a federal return, it is easier to complete the

PIT-1 after you fill out a sample federal return. Much of the information requested on the PIT-1 is the same.

2. Find out what other forms and schedules you are required to file. This depends on your residency status and your personal situation.

For a description of the various forms you may need, see *Required Forms and Attachments* in the full PIT-1 instructions on page 9. If you are claiming credits, see *Attachments Required to Claim Credits* on page 12.

**IMPORTANT:** Submit only the original, official PIT-1 and schedules.

#### FILLING IN YOUR RETURN

Follow these guidelines to complete your PIT-1:

- Complete all required information. Do not leave any required fields blank.
- Leave blank all spaces and boxes that do not apply to you.
- Type or print using blue or black ink. Do not use a pencil.
- Round all numbers and enter only whole dollar amounts. For example, enter \$10.49 as \$10 and \$10.50 as \$11.
- Write numbers clearly and legibly.
- To show a loss, place a minus sign (-) immediately to the left of the loss amount. Do not use brackets or parentheses.

For details, see *Important Guidelines* on PIT-1 instructions, page 21.

#### TOP OF PAGE 1

Complete the top of page 1 of the PIT-1. If you are filing for a fiscal year, enter the month, day, and year your tax year began and the month, day, and year it ended.

#### LINES 1 AND 2

##### Name and Social Security Number

Clearly enter your name and social security number (SSN) and if applicable, the name and SSN of your spouse

in exactly the same order as on your federal return. Even if you are married filing separately, your spouse's SSN is required.

#### No Social Security Number?

If you or your spouse do not have an SSN, you may be eligible for a federal Individual Taxpayer Identification Number (ITIN) from the IRS. For details about the ITIN and its requirements, see PIT-1 instructions, page 21.

Make sure all names and SSNs or ITINs are legible, complete, and correct.

#### Blind and 65 Years of Age or Older

If you or your spouse (if applicable) are blind for federal income tax purposes or age 65 years or older, mark **X** in the boxes.

**NOTE:** The Taxation and Revenue Department may request proof at a later date that you or your spouse, if applicable, are blind for federal purposes. Do not attach the proof to your return.

#### Residency Status and Date of Birth

Enter **R**, **N**, **F**, or **P** to indicate your residency status and, if applicable, your spouse's residency status. Use **R** for resident, **N** for non-resident, **F** for first-year resident, and **P** for part-year resident. For more information, see PIT-1 instructions, pages 2 to 4 and 21.

Enter date of birth in **MM/DD/CCYY** format. For example, if birth date was on December 8, 1946, enter 12/08/1946.

#### LINE 3

##### Address

Mark box 3a if your address on the PIT-1 has changed since your last filing. In 3b, clearly enter your address. Make sure your address is legible, complete, and correct.

If you have a foreign address, enter the street address, city name and postal code in the appropriate line. Also complete the spaces for the foreign province and/or state and country. Follow the country's practice for entering

the foreign postal code, the province or state, and country. Do not abbreviate the country name.

#### LINE 4

##### Deceased Taxpayer or Spouse and Any Claimant

If the refund must be made payable to a person other than the taxpayer or spouse, on line 4a enter the claimant's name and on line 4b enter the claimant's SSN.

If the taxpayer or the spouse named on the return died before you file this return, on lines 4c and 4d, enter the date of death in **MM/DD/CCYY** format. For example, if the date of death was on February 15, 2016, enter 02/15/2016.

For more information, see *Representatives of Deceased Taxpayers* on PIT-1 instructions, page 5.

#### LINE 5

##### Exemptions

Enter the number of exemptions allowed on your federal return for you, your spouse if filing a joint return, and your qualifying dependents. New Mexico uses the same definitions and qualifications as the IRS to determine if someone is your dependent. Add 1 exemption for each dependent you claim.

**IMPORTANT:** If you were or your spouse was a dependent or qualify as a dependent of another individual for federal income tax purposes, **whether or not** you or your spouse were claimed as a dependent on the other person's federal return, do not count the dependent spouse as an allowable exemption.

#### LINE 6

##### Extension of Time to File

If you have a federal or New Mexico extension of time to file, mark **X** in box 6a and enter the date the extension expires in 6b.

If the federal extension was automatic, or if you received approval for a New Mexico extension, do **not** attach a copy of the extension request to your PIT-1. It is not necessary in this case.

#### LINE 7

##### Filing Status

Show your filing status by marking **X** in the correct box. Use the same filing status on your state return that you used on your federal return. If you did not file a federal return, use the filing status you would have used for federal income tax purposes.

##### Requirements for Items 3 and 4

If you mark **X** in item 3, *Married filing separately*, your spouse's name and SSN are required on lines 2a and 2b.

If you mark **X** in item 4, *Head of Household*, on the line below item 4, enter the name of the person who qualifies you as head of household if that person is a child and not eligible to be included as a qualified dependent exemption under federal regulations.

#### LINE 8

##### Dependents

Enter the name, SSN, and date of birth of each dependent you reported on your federal return. If you have more than five qualifying dependents, use Schedule PIT-S to enter your additional dependents.

**IMPORTANT:** Only file Schedule PIT-S if you filled in the five dependent lines on PIT-1, line 8, and you need additional lines for more than five qualifying dependent exemptions.

To enter the dependent's date of birth, use **MM/DD/CCYY** format. For example, if your daughter was born April 1, 2002, enter 04/01/2002. For details about dependents, see PIT-1 instructions, page 23.

#### LINE 9

##### Federal Adjusted Gross Income

Enter the federal adjusted gross income as reported on your federal form.

If you filed federal form	Enter the amount from
1040	Line 37
1040A	Line 21
1040EZ	Line 4

#### LINE 9a

##### Federal Net Operating Loss

If the taxable income on your federal income tax return is zero or less, enter any federal net operating loss incurred for the tax year. Do not enter this

amount as a negative. See the instructions for the federal return to determine the amount of the federal net operating loss incurred.

#### LINE 10. Itemized State and Local Tax Deduction

If you itemized your federal deduction amount, enter the amount of state and local tax deduction claimed on line 5, federal Form 1040, Schedule A. Do not complete this line if you did not itemize.

To determine the amount to enter on line 10, go to the PIT-1 instructions, page 24 and complete the *Worksheet for Computing the Amount on Line 10 of the PIT-1 Return*. A taxpayer who itemizes deductions on the 2016 federal income tax return is required to add back the amount of state and local tax deduction claimed on the federal return, but not below the standard deduction amount you would have qualified for had you not elected or been required to itemize on the federal return.

#### LINE 11

##### Total Additions to Federal Adjusted Gross Income

If you completed Schedule PIT-ADJ, lines 1 to 5, enter the **Total Additions** from PIT-ADJ, line 5.

You are required to complete and attach Schedule PIT-ADJ if any of the following are true:

- You received interest and dividends from federally tax-exempt bonds.
- You have a federal net operating loss carryover.
- You had contributions refunded when closing a New Mexico-approved Section 529 college savings plan account.
- You had certain contributions rolled out of a New Mexico-approved Section 529 college savings plan account.
- You claimed a charitable deduction on federal Form 1040, Schedule A, for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were allowed the New Mexico land conservation tax credit.



For information about calculating the additions, see the 2016 PIT-ADJ instructions for lines 1 to 5.

## **LINE 12** **Federal Standard or Itemized Deduction Amount**

If you did not itemize deductions on your 2016 federal return, enter the allowable federal standard deduction from federal Form 1040, line 40, or from federal Form 1040A, line 24.

If you itemized deductions on your 2016 federal Form 1040, do the following:

- Enter the allowable federal itemized deductions you reported on Form 1040, line 40.
- Mark box 12a.

## **Charitable Deduction of Land**

If you claim a charitable deduction in your federal itemized deductions on federal Form 1040, Schedule A, for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were approved for the New Mexico land conservation tax credit, you must add back the charitable deduction amount included in your itemized deductions on your federal Form 1040, Schedule A. To do this, add the charitable deduction amount to Schedule PIT-ADJ, line 4.

## **If You File Federal Form 1040EZ**

Enter the amount from Form 1040EZ, line 5 on PIT-1, line 12. That amount includes both your standard deduction and your dependency exemption. In this case, line 13 (described next) is blank.

## **LINE 13** **Federal Exemption Amount**

Enter your federal exemption amount from either of these federal forms:

- Form 1040, line 42  
or
- Form 1040A, line 26

**NOTE:** If you filed federal Form 1040EZ, leave line 13 blank. Your deduction for personal exemptions is included in the amount on line 12.

## **LINE 14** **New Mexico Low- and Middle-Income Tax Exemption**

A New Mexico income tax exemption is allowed for low- and middle-income taxpayers. All taxpayers, including residents, part-year residents, first-year residents, and non-residents may claim this exemption in full.

The maximum amount allowed is \$2,500 for each qualifying federal exemption. In this case, a qualifying federal exemption is the number of federal exemptions reported on PIT-1, line 5. The amount varies according to filing status and adjusted gross income.

To claim the exemption, the amount on PIT-1, line 9 must be equal to or less than any of the following:

- \$36,667 (if single)
- \$27,500 (if married filing separately)
- \$55,000 (if married filing jointly, qualified widow(er), or head of household)

To calculate the exemption, use *New Mexico Low- and Middle-Income Tax Exemption Worksheet* on PIT-1 instructions, page 25.

## **LINE 15** **Total Deductions and Exemptions from Federal Income**

If you completed Schedule PIT-ADJ, lines 6 to 22, on PIT-1, line 15, enter the **Total Deductions and Exemptions** from PIT-ADJ, line 22.

You may complete and attach Schedule PIT-ADJ if any of the following are true:

- You have interest and dividend income on New Mexico state and local bonds.
- You have a New Mexico net operating loss carryover.
- You have interest income from U.S. Government obligations.
- You have Railroad Retirement income not taxable by New Mexico.
- You, your spouse, or both are

members of an Indian nation, tribe, or pueblo and your income was wholly earned on the lands of the reservation or pueblo of which the individual is an enrolled member while domiciled on that land, reservation, tribe, or pueblo.

- You, your spouse, or both are age 100 or over **and** you are not dependents of another taxpayer.
- You, your spouse, or both are age 65 or over or blind, **and** your adjusted gross income is not over \$51,000 for a joint return; \$28,500 for a single taxpayer; or \$25,500 for married taxpayers filing separately.
- You have a New Mexico Medical Care Savings Account.
- You contribute to a New Mexico-approved Section 529 college savings plan.
- You have net capital gains for which you can claim a deduction of up to \$1,000 or 50% of your net capital gains, whichever is greater.
- You have armed forces wages or salary from active duty service. This includes active duty pay earned in New Mexico by non-resident U.S. Public Health Service (USPHS) members.
- You, your spouse, or both are age 65 or over, and you have unreimbursed or uncompensated medical care expenses of \$28,000 or more for yourself, your spouse, or dependents.
- You, your spouse, or dependents have expenses related to donating human organs for transfer to another person.
- You received a reimbursement from the New Mexico National Guard Service Member's Life Insurance Reimbursement Fund.
- You were required to include, in your federal adjusted gross income, taxable refunds, credits, or offsets of state and local income tax (federal Form 1040, line 10).

For information about calculating total deductions and exemptions, see the 2016 PIT-ADJ instructions for lines 6 to 21.

**LINE 16****Medical Care Expense Deduction**

If you file a New Mexico PIT-1, you may claim a deduction for medical care expenses paid during the tax year for medical care for you, your spouse, or a dependent. Eligible filers include out-of-state residents with income tax responsibility to New Mexico.

To determine the deduction amount to enter on PIT-1, line 16, use *Worksheet for Calculating Medical Care Expense Deduction* and the instructions beginning on page 26.

**IMPORTANT:** You must complete both lines 16 and 16a. If either are incomplete, the Department denies your deduction.

**LINE 16a****Unreimbursed and Uncompensated Medical Care Expenses**

Enter the qualifying unreimbursed and uncompensated medical care expenses you used to calculate your medical care expense deduction on PIT-1, line 16.

To determine qualifying expenses, see the line 16 instructions on page 26.

**LINE 17****New Mexico Taxable Income**

Add lines 9, 10, and 11, then subtract lines 12, 13, 14, 15, and 16. If the result is negative, enter zero. This is your New Mexico taxable income.

**Non-Residents Using Gross Royalty Income**

If you are a non-resident and you elect to calculate tax on **gross** royalty income under \$5,000 using special procedures, enter your **gross** royalty income from New Mexico sources. Also see *Royalty Income of Non-Residents* on PIT-1 instructions, page 5.

**LINE 18****New Mexico Tax**

Unless you qualify for Schedule CC, calculate your New Mexico tax by using one of these methods and then complete line 18a:

- If you have income from sources inside and outside New Mexico, use your entry on PIT-B, line 14.

or

- Use the rate tables from the full PIT-1 instructions, starting on page 1T.

**IMPORTANT:** When calculating your tax using the rate tables, make sure to use the taxable income amount on line 17.

**Alternative Tax Schedule CC**

If you qualify to file Schedule CC, *Alternative Tax Schedule*, enter on line 18 only the amount from Schedule CC, line 3.

You qualify to file Schedule CC if you meet **all** the following requirements:

- You have no business activities in New Mexico other than sales.
- You do not own or rent real estate in New Mexico.

You have annual gross sales in or into New Mexico of \$100,000 or less.

**Line 18a****Rate Table Indicator**

In the box on line 18a, enter **R** or **B** to show the source for calculating your tax:

- **R** = rate tables
- **B** = Schedule PIT-B

**NOTE:** If you are a non-resident and elect to compute tax on gross royalty income less than \$5,000, enter **Y** for gross royalty income. See *Non-Residents Using Gross Royalty Income* earlier on this page.

**LINE 19****Additional Amount for Tax on Lump-Sum Distributions**

If you received a lump-sum payment and you are using the special federal 10-year tax option on federal Form 4972, you are eligible to use New Mexico's averaging method. To calculate your New Mexico averaged tax, use *Worksheet for Calculating Tax on Lump-Sum Distributions* on PIT-1 instructions, page 28.

If you did not use the federal averaging methods available on federal Form 4972, you are not eligible to use the New Mexico averaging method.

**IMPORTANT:** If you used Schedule

PIT-B to calculate your New Mexico tax liability on line 18 and also used the federal special tax option and New Mexico averaging methods to calculate tax on a lump-sum distribution on line 19, **DO NOT** add line 19 when completing PIT-1, line 22 as stated on the form. The New Mexico portion of line 19 (lump-sum distribution) is included in Schedule PIT-B, line 14.

To calculate your Net New Mexico Income Tax, follow the special steps given for line 22.

**LINE 20****Credit for Taxes Paid to Another State**

A **resident** of New Mexico who must pay personal income 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. To determine if you qualify, see PIT-1 instructions, page 30.

**LINE 21****Business-Related Income Tax Credits Applied**

If you are eligible to claim one or more of the following non-refundable credits, or if you are claiming any refundable business-related tax credits that may be applied to your income tax due, enter the amount from PIT-CR, line A, and attach the completed PIT-CR to your PIT-1:

- Affordable Housing Tax Credit,
- Angel Investment Credit,
- Agricultural Water Conservation Tax Credit,
- Advanced Energy Tax Credit,
- Agricultural Biomass Income Tax Credit,
- Business Facility Rehabilitation Credit,
- Blended Biodiesel Fuel Tax Credit,
- Cancer Clinical Trial Tax Credit,
- Electronic Card-Reading Equipment Tax Credit,
- Geothermal Ground-Coupled Heat Pump Tax Credit,
- Job Mentorship Tax Credit,
- Land Conservation Incentives Credit,

- Preservation of Cultural Property Credit,
- Rural Job Tax Credit,
- Rural Health Care Practitioners Tax Credit,
- Solar Market Development Tax Credit,
- Sustainable Building Tax Credit,
- Technology Jobs (Additional) Tax Credit,
- Technology Jobs and Research and Development (Additional) Tax Credit,
- Veterans Employment Tax Credit
- Film Production Tax Credit, and
- Renewable Energy Production Tax Credit.

For information about these credits, see the instructions for PIT-CR.

## LINE 22

### Net New Mexico Income Tax

To find your net New Mexico income tax in all cases, except the situation described next, do the following:

1. Add lines 18 and 19.
2. Add lines 20 and 21.
3. From the result of step 1, subtract the result of step 2. This amount cannot be less than zero.

### Calculation When Using PIT-B and Claiming Additional Amount of Tax on Lump-Sum Distributions

Although line 22 says to add line 19, do not add line 19 if both of the following are true:

- For line 18, you used Schedule PIT-B to calculate your New Mexico tax liability.
- You used the New Mexico averaging method to calculate tax on a lump-sum distribution for line 19.

If both are true, calculate your Net New Mexico Income Tax for line 22 by following these steps:

1. Add lines 20 and 21.
2. From the amount on line 18, subtract the result of step 1.

In this case, you do not add PIT-1, line 19 when completing PIT-1, line 22. The New Mexico part of line 19 (lump-sum

distribution) is already included in Schedule PIT-B, line 14.

## LINE 24

### Total Claimed on Rebate and Credit Schedule

If you claim any of the following special New Mexico rebates or refundable credits, complete and attach Schedule PIT-RC to your PIT-1:

- Low income comprehensive tax rebate
- Property tax rebate (for low-income persons 65 or older)
- Additional low income property tax rebate for Los Alamos or Santa Fe County residents
- Child day care credit
- Refundable medical care credit for persons 65 years of age or older
- Special needs adopted child tax credit

## LINES 25 and 25a

### Working Families Tax Credit

If you were a New Mexico resident during any part of 2016 and you file a PIT-1, you may claim the working families tax credit. The credit is 10% of the earned income credit (EIC) for which you are eligible the same tax year.

The EIC is a refundable federal income tax credit for low income working individuals and families. The credit reduces the amount of federal tax you may owe and may increase your refund from the IRS.

If you qualify for the working families tax credit, and the credit exceeds your income tax liability for the tax year of the claim, you may receive a refund.

On line 25a, enter the amount of EIC you reported on your 2016 federal Form 1040, 1040A, or 1040EZ.

To find the entry for line 25, multiply the amount on line 25a by 0.10 (10%).

**IMPORTANT:** You must complete both lines 25 and 25a. If either are incomplete, the Department denies your deduction.

## For More Information

To see all the requirements for claiming the EIC, read the rules in the federal 1040, 1040A, or 1040EZ tax packages or see IRS Publication 596, *Earned Income Credit (EIC)*. You may also read about the EIC on the IRS website at [www.irs.gov](http://www.irs.gov) and download the publication from the site.

## LINE 26

### Refundable Business-Related Income tax credits

From PIT-CR, line B, enter the total amount of your refundable part of the following tax credits.

- Film Production Tax Credit,
- Renewable Energy Production Tax Credit, and
- Technology Jobs and Research and Development (Additional) Tax Credit.

Line 26 line shows the refundable amount of business-related income tax credits you claimed on PIT-CR.

## LINE 27

### New Mexico Income Tax Withheld

Enter the total of all your New Mexico income tax withheld, other than income from oil and gas proceeds or PTE income, as shown on your annual withholding statements, including Form(s) W-2, W-2G, 1099, 1099-R, and 1099-MISC. Attach a copy of the forms to your PIT-1.

### Payments You Cannot Include

Do not include income tax withheld from your share of the net income of a pass-through entity or from oil and gas proceeds.

Do not include any payment you made for gross receipts tax, withholding tax, compensating tax, or any other type of tax due to the State of New Mexico. These payments are not payments towards your personal income tax liability. They are not considered "tax withheld," "estimated," or "other" payments on your PIT-1.

## LINE 28

### 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 as shown on your annual withholding



statements, 1099-MISC, and RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*. Attach a copy of the forms to your PIT-1. For more information, see PIT-1 instructions, page 32.

#### **LINE 29**

##### **New Mexico Income Tax Withheld From a Pass-Through Entity**

Enter the total New Mexico income tax withheld from the net income of pass-through entities as shown on your annual withholding statements, 1099-MISC, and Form RPD-41359, *Annual Statement of Pass-Through Entity Withholding*. Attach a copy of the forms to your PIT-1.

An entity that has had tax withheld cannot pass a withholding statement directly to its owners, members, partners, or beneficiaries. The entity must first file and report the tax withheld on its New Mexico income tax or annual information return. After filing and reporting the tax withheld, the entity may then pass the tax withheld to another entity by issuing the owner, member, partner, or beneficiary an annual withholding statement.

#### **LINE 30**

##### **2016 Estimated Income Tax Payments**

Enter the total of New Mexico estimated tax payments you made for 2016 as shown in your records. Include all of the following:

- Estimated payments you made with PIT-ES payment vouchers
- Your last installment, even if you pay it in 2016
- Overpayments from your 2014 return that you applied to your 2016 taxes

##### **Do Not Include These Payments**

Do not include any of the following payments:

- Extension payments you made with PIT-EXT payment vouchers
- Any return payments you made with PIT-PV payment vouchers

PIT-PV or PIT-EXT payments you made through the Department website

**NOTE:** Report extension and return

payments on line 31.

#### **DIFFERENT NAME OR SSN**

If you made any estimated payments using a different name or SSN, attach a schedule to your return showing how you made each estimated payment.

#### **LINE 31**

##### **Other Payments**

Enter the total payments you made toward your 2016 personal income tax liability that are not included on line 30, including:

- Extension payments you made with PIT-EXT payment vouchers
- Return payments you made with PIT-PV payment vouchers
- PIT-PV or PIT-EXT payments you made through the Department website.

#### **LINE 32**

##### **Total Payments and Credits**

Add lines 24 through 31, and enter the total here.

#### **LINE 33**

##### **Tax Due/Amount You Owe**

If line 23 is greater than line 32, the difference is the amount of tax you owe. Subtract line 32 from line 23, enter the difference here.

#### **LINE 34**

##### **Penalty on Underpayment of Estimated Tax**

This line is only for taxpayers who owe an underpayment penalty. Leave the line blank in these situations:

- You do not owe an underpayment penalty.
- You owe an underpayment penalty and you want the Department to calculate the penalty for you.

If you want to calculate the penalty, enter the amount of penalty on the underpayment of estimated tax you owe.

For details about calculating penalty, see the instructions for PIT-ES, *Personal Income Estimated Tax Payment Voucher*.

#### **Department Process for Penalty Due**

The Department sends you a bill or if you are due a refund, reduces your refund by the amount of the penalty due.

#### **LINE 35**

##### **Special Method Allowed for Calculation of Underpayment of Estimated Tax Penalty**

You can use a special method if **both** the following are true:

- You owe penalty for underpayment of estimated personal income tax.
- You qualify for a special penalty calculation method, which reduces the amount of penalty due using the standard method of calculating the penalty.

##### **Indicate the Special Method**

If both are true, enter 1, 2, 3, 4, or 5 in the box on line 35 to indicate the method you elect to calculate your underpayment penalty. To use the special penalty calculation, the Department requires you to complete and attach Form RPD-41272, *2016 Calculation of Estimated Personal Income Tax Underpayment Penalty*, to your PIT-1.

##### **When To Leave the Box Blank**

Leave the box blank in these situations:

- You do not qualify for one of the special methods.
- You do not owe estimated tax using the standard method of calculating the underpayment of estimated tax penalty.

#### **LINE 36**

##### **Penalty**

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

Calculate penalty by multiplying the unpaid amount due on line 33 by 0.02 (2%). Then multiply this product by the number of months or partial months for which your return or payment is late. The result cannot exceed 20% of the tax due.

If you want the Department to calculate the penalty for you, leave the line blank.



## LINE 37

### Interest

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

If you want the Department to calculate interest for you, leave the line blank.

### Formula to Calculate Daily Interest

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

### Interest Changes Quarterly

The annual and daily interest rate for each quarter is posted on our website at [www.tax.newmexico.gov](http://www.tax.newmexico.gov).

For more information about interest, see PIT-1 instructions, page 34.

## LINES 39 through 42 Overpayment/Refund

If line 23 is less than line 32, you have an overpayment. Subtract line 23 from line 32, and enter the difference on line 39.

If you have penalty or interest due from lines 34, 36, or 37, reduce your overpayment by the sum of the amounts in those lines. If you owe penalty or interest the Department will reduce your overpayment by penalty and interest amounts.

You can handle your overpayment in any or a combination of the following ways:

- You can use it for voluntary fund contributions. To do this, enter the amount on line 40 and attach Schedule D to your PIT-1. For information, see Schedule D, *New Mexico Voluntary Contributions Schedule*.
- You can apply it to your 2016 estimated tax. To do this, enter the amount on line 41.
- You can have the Department refund your overpayment to you. To do this, enter the amount on line 42.

## WHAT TO DO BEFORE YOU MAIL YOUR RETURN

Before you mail your return, follow these steps:

1. Check the figures on your return and on your attachments.
2. On your PIT-1 at the bottom of page 2, sign and date. If you are married and filing a joint return, both spouses must sign.
3. Below your signature, enter your phone number and email address.
4. If you paid someone to prepare your return, make sure your paid preparer signs your return in the **Paid preparer's use only** section. The preparer may sign by hand or any method of electronic signature acceptable to the IRS. The preparer must also fill in the other blanks in this section.
5. If you are mailing a payment with your return, do the following:

- Complete the PIT-PV payment voucher.
- Write your social security number and the tax year on your check.
- Cut the voucher on the dotted line.
- Mail the payment voucher with your payment.

**IMPORTANT:** Only submit a payment voucher if you submit a payment.

### Submit ONLY High-Quality Printed, Original Vouchers

Payment vouchers are processed through high-speed scanners. Cut the bottom portion of the voucher **ONLY** on the dotted line.

### Where to Mail a Return WITHOUT a Payment

If you are **not** mailing a payment with your return, mail your refund return or other return to:

NM Taxation and Revenue Dept.  
P O Box 25122  
Santa Fe, NM 87504-5122

### Where to Mail a Return WITH a Payment

If you **are** mailing a payment with your return, mail your return, payment and voucher to:

NM Taxation and Revenue Dept.  
P O Box 8390  
Santa Fe, NM 87504-8390

### Filing and Paying Online

You can file your return online at <https://tap.state.nm.us> where you can also pay by electronic check (E-Check) at no charge.

You may also pay online with a Visa, MasterCard, American Express or Discover credit card. A convenience fee of 2.40% is charged to reimburse the state for fees the credit card companies charge the State of New Mexico. The fee is calculated on the amount of the transaction.

### Filing Checklist

Complete the *Filing Checklist* on PIT-1 instructions, page 38.

### Assemble Your Return

Put your PIT-1 and all attachments in the order shown on PIT-1 instructions, page 37. If your return shows tax due, add a payment voucher along with your check.

**IMPORTANT:** Do not use staples or tape to assemble your return. Submit only original, official state forms.

### FINAL STEPS

If you are not electronically filing your return, follow these steps:

1. Mail your return and attachments to the address on PIT-1, page 2, or as noted in this section.
2. Keep a copy of your original return and all attachments.

# 2016 Tax Rate Table

## Based on Taxable Income

Example: Mr. and Mrs. Brown are filing a joint return. Their **New Mexico Taxable Income** on line 17 of the Form PIT-1 is \$25,325. First they find the \$25,300-\$25,400 income line. Next they find the column for **Married filing jointly** and read down the column. The amount shown where the income line and filing status column meet is \$834. This is the tax amount they must write on line **18** of the Form PIT-1.

		Single	Married Filing Jointly*	Married Filing Separately	Head of Household
More Than	But Not Over	Your tax is:			
25,200	25,300	958	829	1,033	829
25,300	25,400	963	834	1,038	834
25,400	25,500	968	839	1,043	839
25,500	25,600	972	844	1,048	844

If line 17 of Form PIT-1 ( <i>Taxable Income</i> ) is:		And you are:				If line 17 of Form PIT-1 ( <i>Taxable Income</i> ) is:		And you are:				If line 17 of Form PIT-1 ( <i>Taxable Income</i> ) is:		And you are:			
More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household
0	60	0	0	0	0	4,000						8,000					
60	100	1	1	1	1	4,000	4,100	69	69	70	69	8,000	8,100	175	138	198	138
100	200	3	3	3	3	4,100	4,200	71	71	73	71	8,100	8,200	178	141	203	141
200	300	4	4	4	4	4,200	4,300	72	72	76	72	8,200	8,300	182	144	208	144
300	400	6	6	6	6	4,300	4,400	74	74	79	74	8,300	8,400	185	147	212	147
400	500	8	8	8	8	4,400	4,500	76	76	82	76	8,400	8,500	188	150	217	150
500	600	9	9	9	9	4,500	4,600	77	77	86	77	8,500	8,600	191	154	222	154
600	700	11	11	11	11	4,600	4,700	79	79	89	79	8,600	8,700	194	157	227	157
700	800	13	13	13	13	4,700	4,800	81	81	92	81	8,700	8,800	198	160	231	160
800	900	14	14	14	14	4,800	4,900	82	82	95	82	8,800	8,900	201	163	236	163
900	1,000	16	16	16	16	4,900	5,000	84	84	98	84	8,900	9,000	204	166	241	166
1,000						5,000						9,000					
1,000	1,100	18	18	18	18	5,000	5,100	86	86	102	86	9,000	9,100	207	170	245	170
1,100	1,200	20	20	20	20	5,100	5,200	88	88	105	88	9,100	9,200	210	173	250	173
1,200	1,300	21	21	21	21	5,200	5,300	89	89	108	89	9,200	9,300	214	176	255	176
1,300	1,400	23	23	23	23	5,300	5,400	91	91	111	91	9,300	9,400	217	179	259	179
1,400	1,500	25	25	25	25	5,400	5,500	93	93	114	93	9,400	9,500	220	182	264	182
1,500	1,600	26	26	26	26	5,500	5,600	95	94	118	94	9,500	9,600	223	186	269	186
1,600	1,700	28	28	28	28	5,600	5,700	98	96	121	96	9,600	9,700	226	189	274	189
1,700	1,800	30	30	30	30	5,700	5,800	102	98	124	98	9,700	9,800	230	192	278	192
1,800	1,900	31	31	31	31	5,800	5,900	105	99	127	99	9,800	9,900	233	195	283	195
1,900	2,000	33	33	33	33	5,900	6,000	108	101	130	101	9,900	10,000	236	198	288	198
2,000						6,000						10,000					
2,000	2,100	35	35	35	35	6,000	6,100	111	103	134	103	10,000	10,100	239	202	292	202
2,100	2,200	37	37	37	37	6,100	6,200	114	105	137	105	10,100	10,200	242	205	297	205
2,200	2,300	38	38	38	38	6,200	6,300	118	106	140	106	10,200	10,300	246	208	302	208
2,300	2,400	40	40	40	40	6,300	6,400	121	108	143	108	10,300	10,400	249	211	306	211
2,400	2,500	42	42	42	42	6,400	6,500	124	110	146	110	10,400	10,500	252	214	311	214
2,500	2,600	43	43	43	43	6,500	6,600	127	111	150	111	10,500	10,600	255	218	316	218
2,600	2,700	45	45	45	45	6,600	6,700	130	113	153	113	10,600	10,700	258	221	321	221
2,700	2,800	47	47	47	47	6,700	6,800	134	115	156	115	10,700	10,800	262	224	325	224
2,800	2,900	48	48	48	48	6,800	6,900	137	116	159	116	10,800	10,900	265	227	330	227
2,900	3,000	50	50	50	50	6,900	7,000	140	118	162	118	10,900	11,000	268	230	335	230
3,000						7,000						11,000					
3,000	3,100	52	52	52	52	7,000	7,100	143	120	166	120	11,000	11,100	272	234	339	234
3,100	3,200	54	54	54	54	7,100	7,200	146	122	169	122	11,100	11,200	277	237	344	237
3,200	3,300	55	55	55	55	7,200	7,300	150	123	172	123	11,200	11,300	281	240	349	240
3,300	3,400	57	57	57	57	7,300	7,400	153	125	175	125	11,300	11,400	286	243	353	243
3,400	3,500	59	59	59	59	7,400	7,500	156	127	178	127	11,400	11,500	291	246	358	246
3,500	3,600	60	60	60	60	7,500	7,600	159	128	182	128	11,500	11,600	295	250	363	250
3,600	3,700	62	62	62	62	7,600	7,700	162	130	185	130	11,600	11,700	300	253	368	253
3,700	3,800	64	64	64	64	7,700	7,800	166	132	188	132	11,700	11,800	305	256	372	256
3,800	3,900	65	65	65	65	7,800	7,900	169	133	191	133	11,800	11,900	309	259	377	259
3,900	4,000	67	67	67	67	7,900	8,000	172	135	194	135	11,900	12,000	314	262	382	262

\* This column must also be used by a qualifying widow(er). - 1T -

If line 17 of Form PIT-1 ( <i>Taxable Income</i> ) is:		And you are:				PIT-1 ( <i>Taxable Income</i> ) is:		And you are:				PIT-1 ( <i>Taxable Income</i> ) is:		And you are:			
More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household
		Your tax is:						Your tax is:						Your tax is:			
12,000						18,000						24,000					
12,000	12,100	319	266	386	266	18,000	18,100	605	488	680	488	24,000	24,100	899	770	974	770
12,100	12,200	324	269	391	269	18,100	18,200	610	493	685	493	24,100	24,200	904	775	979	775
12,200	12,300	328	272	396	272	18,200	18,300	615	498	690	498	24,200	24,300	909	780	984	780
12,300	12,400	333	275	401	275	18,300	18,400	620	502	695	502	24,300	24,400	914	785	989	785
12,400	12,500	338	278	406	278	18,400	18,500	625	507	700	507	24,400	24,500	919	790	994	790
12,500	12,600	342	282	411	282	18,500	18,600	629	512	705	512	24,500	24,600	923	795	999	795
12,600	12,700	347	285	416	285	18,600	18,700	634	517	710	517	24,600	24,700	928	800	1,004	800
12,700	12,800	352	288	421	288	18,700	18,800	639	521	715	521	24,700	24,800	933	805	1,009	805
12,800	12,900	356	291	426	291	18,800	18,900	644	526	720	526	24,800	24,900	938	810	1,014	810
12,900	13,000	361	294	431	294	18,900	19,000	649	531	725	531	24,900	25,000	943	815	1,019	815
13,000						19,000						25,000					
13,000	13,100	366	298	435	298	19,000	19,100	654	535	729	535	25,000	25,100	948	819	1,023	819
13,100	13,200	371	301	440	301	19,100	19,200	659	540	734	540	25,100	25,200	953	824	1,028	824
13,200	13,300	375	304	445	304	19,200	19,300	664	545	739	545	25,200	25,300	958	829	1,033	829
13,300	13,400	380	307	450	307	19,300	19,400	669	549	744	549	25,300	25,400	963	834	1,038	834
13,400	13,500	385	310	455	310	19,400	19,500	674	554	749	554	25,400	25,500	968	839	1,043	839
13,500	13,600	389	314	460	314	19,500	19,600	678	559	754	559	25,500	25,600	972	844	1,048	844
13,600	13,700	394	317	465	317	19,600	19,700	683	564	759	564	25,600	25,700	977	849	1,053	849
13,700	13,800	399	320	470	320	19,700	19,800	688	568	764	568	25,700	25,800	982	854	1,058	854
13,800	13,900	403	323	475	323	19,800	19,900	693	573	769	573	25,800	25,900	987	859	1,063	859
13,900	14,000	408	326	480	326	19,900	20,000	698	578	774	578	25,900	26,000	992	864	1,068	864
14,000						20,000						26,000					
14,000	14,100	413	330	484	330	20,000	20,100	703	582	778	582	26,000	26,100	997	868	1,072	868
14,100	14,200	418	333	489	333	20,100	20,200	708	587	783	587	26,100	26,200	1,002	873	1,077	873
14,200	14,300	422	336	494	336	20,200	20,300	713	592	788	592	26,200	26,300	1,007	878	1,082	878
14,300	14,400	427	339	499	339	20,300	20,400	718	596	793	596	26,300	26,400	1,012	883	1,087	883
14,400	14,500	432	342	504	342	20,400	20,500	723	601	798	601	26,400	26,500	1,017	888	1,092	888
14,500	14,600	436	346	509	346	20,500	20,600	727	606	803	606	26,500	26,600	1,021	893	1,097	893
14,600	14,700	441	349	514	349	20,600	20,700	732	611	808	611	26,600	26,700	1,026	898	1,102	898
14,700	14,800	446	352	519	352	20,700	20,800	737	615	813	615	26,700	26,800	1,031	903	1,107	903
14,800	14,900	450	355	524	355	20,800	20,900	742	620	818	620	26,800	26,900	1,036	908	1,112	908
14,900	15,000	455	358	529	358	20,900	21,000	747	625	823	625	26,900	27,000	1,041	913	1,117	913
15,000						21,000						27,000					
15,000	15,100	460	362	533	362	21,000	21,100	752	629	827	629	27,000	27,100	1,046	917	1,121	917
15,100	15,200	465	365	538	365	21,100	21,200	757	634	832	634	27,100	27,200	1,051	922	1,126	922
15,200	15,300	469	368	543	368	21,200	21,300	762	639	837	639	27,200	27,300	1,056	927	1,131	927
15,300	15,400	474	371	548	371	21,300	21,400	767	643	842	643	27,300	27,400	1,061	932	1,136	932
15,400	15,500	479	374	553	374	21,400	21,500	772	648	847	648	27,400	27,500	1,066	937	1,141	937
15,500	15,600	483	378	558	378	21,500	21,600	776	653	852	653	27,500	27,600	1,070	942	1,146	942
15,600	15,700	488	381	563	381	21,600	21,700	781	658	857	658	27,600	27,700	1,075	947	1,151	947
15,700	15,800	493	384	568	384	21,700	21,800	786	662	862	662	27,700	27,800	1,080	952	1,156	952
15,800	15,900	497	387	573	387	21,800	21,900	791	667	867	667	27,800	27,900	1,085	957	1,161	957
15,900	16,000	502	390	578	390	21,900	22,000	796	672	872	672	27,900	28,000	1,090	962	1,166	962
16,000						22,000						28,000					
16,000	16,100	507	394	582	394	22,000	22,100	801	676	876	676	28,000	28,100	1,095	966	1,170	966
16,100	16,200	512	399	587	399	22,100	22,200	806	681	881	681	28,100	28,200	1,100	971	1,175	971
16,200	16,300	517	404	592	404	22,200	22,300	811	686	886	686	28,200	28,300	1,105	976	1,180	976
16,300	16,400	522	408	597	408	22,300	22,400	816	690	891	690	28,300	28,400	1,110	981	1,185	981
16,400	16,500	527	413	602	413	22,400	22,500	821	695	896	695	28,400	28,500	1,115	986	1,190	986
16,500	16,600	531	418	607	418	22,500	22,600	825	700	901	700	28,500	28,600	1,119	991	1,195	991
16,600	16,700	536	423	612	423	22,600	22,700	830	705	906	705	28,600	28,700	1,124	996	1,200	996
16,700	16,800	541	427	617	427	22,700	22,800	835	709	911	709	28,700	28,800	1,129	1,001	1,205	1,001
16,800	16,900	546	432	622	432	22,800	22,900	840	714	916	714	28,800	28,900	1,134	1,006	1,210	1,006
16,900	17,000	551	437	627	437	22,900	23,000	845	719	921	719	28,900	29,000	1,139	1,011	1,215	1,011
17,000						23,000						29,000					
17,000	17,100																

\* This column must also be used by a qualifying widow(er). - 2T -

If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				PIT-1 (Taxable Income) is:		And you are:				PIT-1 (Taxable Income) is:		And you are:			
More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household
		30,000						36,000						42,000			
30,000	30,100	1,193	1,064	1,268	1,064	36,000	36,100	1,487	1,358	1,562	1,358	42,000	42,100	1,781	1,652	1,856	1,652
30,100	30,200	1,198	1,069	1,273	1,069	36,100	36,200	1,492	1,363	1,567	1,363	42,100	42,200	1,786	1,657	1,861	1,657
30,200	30,300	1,203	1,074	1,278	1,074	36,200	36,300	1,497	1,368	1,572	1,368	42,200	42,300	1,791	1,662	1,866	1,662
30,300	30,400	1,208	1,079	1,283	1,079	36,300	36,400	1,502	1,373	1,577	1,373	42,300	42,400	1,796	1,667	1,871	1,667
30,400	30,500	1,213	1,084	1,288	1,084	36,400	36,500	1,507	1,378	1,582	1,378	42,400	42,500	1,801	1,672	1,876	1,672
30,500	30,600	1,217	1,089	1,293	1,089	36,500	36,600	1,511	1,383	1,587	1,383	42,500	42,600	1,805	1,677	1,881	1,677
30,600	30,700	1,222	1,094	1,298	1,094	36,600	36,700	1,516	1,388	1,592	1,388	42,600	42,700	1,810	1,682	1,886	1,682
30,700	30,800	1,227	1,099	1,303	1,099	36,700	36,800	1,521	1,393	1,597	1,393	42,700	42,800	1,815	1,687	1,891	1,687
30,800	30,900	1,232	1,104	1,308	1,104	36,800	36,900	1,526	1,398	1,602	1,398	42,800	42,900	1,820	1,692	1,896	1,692
30,900	31,000	1,237	1,109	1,313	1,109	36,900	37,000	1,531	1,403	1,607	1,403	42,900	43,000	1,825	1,697	1,901	1,697
		31,000						37,000						43,000			
31,000	31,100	1,242	1,113	1,317	1,113	37,000	37,100	1,536	1,407	1,611	1,407	43,000	43,100	1,830	1,701	1,905	1,701
31,100	31,200	1,247	1,118	1,322	1,118	37,100	37,200	1,541	1,412	1,616	1,412	43,100	43,200	1,835	1,706	1,910	1,706
31,200	31,300	1,252	1,123	1,327	1,123	37,200	37,300	1,546	1,417	1,621	1,417	43,200	43,300	1,840	1,711	1,915	1,711
31,300	31,400	1,257	1,128	1,332	1,128	37,300	37,400	1,551	1,422	1,626	1,422	43,300	43,400	1,845	1,716	1,920	1,716
31,400	31,500	1,262	1,133	1,337	1,133	37,400	37,500	1,556	1,427	1,631	1,427	43,400	43,500	1,850	1,721	1,925	1,721
31,500	31,600	1,266	1,138	1,342	1,138	37,500	37,600	1,560	1,432	1,636	1,432	43,500	43,600	1,854	1,726	1,930	1,726
31,600	31,700	1,271	1,143	1,347	1,143	37,600	37,700	1,565	1,437	1,641	1,437	43,600	43,700	1,859	1,731	1,935	1,731
31,700	31,800	1,276	1,148	1,352	1,148	37,700	37,800	1,570	1,442	1,646	1,442	43,700	43,800	1,864	1,736	1,940	1,736
31,800	31,900	1,281	1,153	1,357	1,153	37,800	37,900	1,575	1,447	1,651	1,447	43,800	43,900	1,869	1,741	1,945	1,741
31,900	32,000	1,286	1,158	1,362	1,158	37,900	38,000	1,580	1,452	1,656	1,452	43,900	44,000	1,874	1,746	1,950	1,746
		32,000						38,000						44,000			
32,000	32,100	1,291	1,162	1,366	1,162	38,000	38,100	1,585	1,456	1,660	1,456	44,000	44,100	1,879	1,750	1,954	1,750
32,100	32,200	1,296	1,167	1,371	1,167	38,100	38,200	1,590	1,461	1,665	1,461	44,100	44,200	1,884	1,755	1,959	1,755
32,200	32,300	1,301	1,172	1,376	1,172	38,200	38,300	1,595	1,466	1,670	1,466	44,200	44,300	1,889	1,760	1,964	1,760
32,300	32,400	1,306	1,177	1,381	1,177	38,300	38,400	1,600	1,471	1,675	1,471	44,300	44,400	1,894	1,765	1,969	1,765
32,400	32,500	1,311	1,182	1,386	1,182	38,400	38,500	1,605	1,476	1,680	1,476	44,400	44,500	1,899	1,770	1,974	1,770
32,500	32,600	1,315	1,187	1,391	1,187	38,500	38,600	1,609	1,481	1,685	1,481	44,500	44,600	1,903	1,775	1,979	1,775
32,600	32,700	1,320	1,192	1,396	1,192	38,600	38,700	1,614	1,486	1,690	1,486	44,600	44,700	1,908	1,780	1,984	1,780
32,700	32,800	1,325	1,197	1,401	1,197	38,700	38,800	1,619	1,491	1,695	1,491	44,700	44,800	1,913	1,785	1,989	1,785
32,800	32,900	1,330	1,202	1,406	1,202	38,800	38,900	1,624	1,496	1,700	1,496	44,800	44,900	1,918	1,790	1,994	1,790
32,900	33,000	1,335	1,207	1,411	1,207	38,900	39,000	1,629	1,501	1,705	1,501	44,900	45,000	1,923	1,795	1,999	1,795
		33,000						39,000						45,000			
33,000	33,100	1,340	1,211	1,415	1,211	39,000	39,100	1,634	1,505	1,709	1,505	45,000	45,100	1,928	1,799	2,003	1,799
33,100	33,200	1,345	1,216	1,420	1,216	39,100	39,200	1,639	1,510	1,714	1,510	45,100	45,200	1,933	1,804	2,008	1,804
33,200	33,300	1,350	1,221	1,425	1,221	39,200	39,300	1,644	1,515	1,719	1,515	45,200	45,300	1,938	1,809	2,013	1,809
33,300	33,400	1,355	1,226	1,430	1,226	39,300	39,400	1,649	1,520	1,724	1,520	45,300	45,400	1,943	1,814	2,018	1,814
33,400	33,500	1,360	1,231	1,435	1,231	39,400	39,500	1,654	1,525	1,729	1,525	45,400	45,500	1,948	1,819	2,023	1,819
33,500	33,600	1,364	1,236	1,440	1,236	39,500	39,600	1,658	1,530	1,734	1,530	45,500	45,600	1,952	1,824	2,028	1,824
33,600	33,700	1,369	1,241	1,445	1,241	39,600	39,700	1,663	1,535	1,739	1,535	45,600	45,700	1,957	1,829	2,033	1,829
33,700	33,800	1,374	1,246	1,450	1,246	39,700	39,800	1,668	1,540	1,744	1,540	45,700	45,800	1,962	1,834	2,038	1,834
33,800	33,900	1,379	1,251	1,455	1,251	39,800	39,900	1,673	1,545	1,749	1,545	45,800	45,900	1,967	1,839	2,043	1,839
33,900	34,000	1,384	1,256	1,460	1,256	39,900	40,000	1,678	1,550	1,754	1,550	45,900	46,000	1,972	1,844	2,048	1,844
		34,000						40,000						46,000			
34,000	34,100	1,389	1,260	1,464	1,260	40,000	40,100	1,683	1,554	1,758	1,554	46,000	46,100	1,977	1,848	2,052	1,848
34,100	34,200	1,394	1,265	1,469	1,265	40,100	40,200	1,688	1,559	1,763	1,559	46,100	46,200	1,982	1,853	2,057	1,853
34,200	34,300	1,399	1,270	1,474	1,270	40,200	40,300	1,693	1,564	1,768	1,564	46,200	46,300	1,987	1,858	2,062	1,858
34,300	34,400	1,404	1,275</														



If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:			
More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household
		Your tax is:						Your tax is:						Your tax is:			
48,000						54,000						60,000					
48,000	48,100	2,075	1,946	2,150	1,946	54,000	54,100	2,369	2,240	2,444	2,240	60,000	60,100	2,663	2,534	2,738	2,534
48,100	48,200	2,080	1,951	2,155	1,951	54,100	54,200	2,374	2,245	2,449	2,245	60,100	60,200	2,668	2,539	2,743	2,539
48,200	48,300	2,085	1,956	2,160	1,956	54,200	54,300	2,379	2,250	2,454	2,250	60,200	60,300	2,673	2,544	2,748	2,544
48,300	48,400	2,090	1,961	2,165	1,961	54,300	54,400	2,384	2,255	2,459	2,255	60,300	60,400	2,678	2,549	2,753	2,549
48,400	48,500	2,095	1,966	2,170	1,966	54,400	54,500	2,389	2,260	2,464	2,260	60,400	60,500	2,683	2,554	2,758	2,554
48,500	48,600	2,099	1,971	2,175	1,971	54,500	54,600	2,393	2,265	2,469	2,265	60,500	60,600	2,687	2,559	2,763	2,559
48,600	48,700	2,104	1,976	2,180	1,976	54,600	54,700	2,398	2,270	2,474	2,270	60,600	60,700	2,692	2,564	2,768	2,564
48,700	48,800	2,109	1,981	2,185	1,981	54,700	54,800	2,403	2,275	2,479	2,275	60,700	60,800	2,697	2,569	2,773	2,569
48,800	48,900	2,114	1,986	2,190	1,986	54,800	54,900	2,408	2,280	2,484	2,280	60,800	60,900	2,702	2,574	2,778	2,574
48,900	49,000	2,119	1,991	2,195	1,991	54,900	55,000	2,413	2,285	2,489	2,285	60,900	61,000	2,707	2,579	2,783	2,579
49,000						55,000						61,000					
49,000	49,100	2,124	1,995	2,199	1,995	55,000	55,100	2,418	2,289	2,493	2,289	61,000	61,100	2,712	2,583	2,787	2,583
49,100	49,200	2,129	2,000	2,204	2,000	55,100	55,200	2,423	2,294	2,498	2,294	61,100	61,200	2,717	2,588	2,792	2,588
49,200	49,300	2,134	2,005	2,209	2,005	55,200	55,300	2,428	2,299	2,503	2,299	61,200	61,300	2,722	2,593	2,797	2,593
49,300	49,400	2,139	2,010	2,214	2,010	55,300	55,400	2,433	2,304	2,508	2,304	61,300	61,400	2,727	2,598	2,802	2,598
49,400	49,500	2,144	2,015	2,219	2,015	55,400	55,500	2,438	2,309	2,513	2,309	61,400	61,500	2,732	2,603	2,807	2,603
49,500	49,600	2,148	2,020	2,224	2,020	55,500	55,600	2,442	2,314	2,518	2,314	61,500	61,600	2,736	2,608	2,812	2,608
49,600	49,700	2,153	2,025	2,229	2,025	55,600	55,700	2,447	2,319	2,523	2,319	61,600	61,700	2,741	2,613	2,817	2,613
49,700	49,800	2,158	2,030	2,234	2,030	55,700	55,800	2,452	2,324	2,528	2,324	61,700	61,800	2,746	2,618	2,822	2,618
49,800	49,900	2,163	2,035	2,239	2,035	55,800	55,900	2,457	2,329	2,533	2,329	61,800	61,900	2,751	2,623	2,827	2,623
49,900	50,000	2,168	2,040	2,244	2,040	55,900	56,000	2,462	2,334	2,538	2,334	61,900	62,000	2,756	2,628	2,832	2,628
50,000						56,000						62,000					
50,000	50,100	2,173	2,044	2,248	2,044	56,000	56,100	2,467	2,338	2,542	2,338	62,000	62,100	2,761	2,632	2,836	2,632
50,100	50,200	2,178	2,049	2,253	2,049	56,100	56,200	2,472	2,343	2,547	2,343	62,100	62,200	2,766	2,637	2,841	2,637
50,200	50,300	2,183	2,054	2,258	2,054	56,200	56,300	2,477	2,348	2,552	2,348	62,200	62,300	2,771	2,642	2,846	2,642
50,300	50,400	2,188	2,059	2,263	2,059	56,300	56,400	2,482	2,353	2,557	2,353	62,300	62,400	2,776	2,647	2,851	2,647
50,400	50,500	2,193	2,064	2,268	2,064	56,400	56,500	2,487	2,358	2,562	2,358	62,400	62,500	2,781	2,652	2,856	2,652
50,500	50,600	2,197	2,069	2,273	2,069	56,500	56,600	2,491	2,363	2,567	2,363	62,500	62,600	2,785	2,657	2,861	2,657
50,600	50,700	2,202	2,074	2,278	2,074	56,600	56,700	2,496	2,368	2,572	2,368	62,600	62,700	2,790	2,662	2,866	2,662
50,700	50,800	2,207	2,079	2,283	2,079	56,700	56,800	2,501	2,373	2,577	2,373	62,700	62,800	2,795	2,667	2,871	2,667
50,800	50,900	2,212	2,084	2,288	2,084	56,800	56,900	2,506	2,378	2,582	2,378	62,800	62,900	2,800	2,672	2,876	2,672
50,900	51,000	2,217	2,089	2,293	2,089	56,900	57,000	2,511	2,383	2,587	2,383	62,900	63,000	2,805	2,677	2,881	2,677
51,000						57,000						63,000					
51,000	51,100	2,222	2,093	2,297	2,093	57,000	57,100	2,516	2,387	2,591	2,387	63,000	63,100	2,810	2,681	2,885	2,681
51,100	51,200	2,227	2,098	2,302	2,098	57,100	57,200	2,521	2,392	2,596	2,392	63,100	63,200	2,815	2,686	2,890	2,686
51,200	51,300	2,232	2,103	2,307	2,103	57,200	57,300	2,526	2,397	2,601	2,397	63,200	63,300	2,820	2,691	2,895	2,691
51,300	51,400	2,237	2,108	2,312	2,108	57,300	57,400	2,531	2,402	2,606	2,402	63,300	63,400	2,825	2,696	2,900	2,696
51,400	51,500	2,242	2,113	2,317	2,113	57,400	57,500	2,536	2,407	2,611	2,407	63,400	63,500	2,830	2,701	2,905	2,701
51,500	51,600	2,246	2,118	2,322	2,118	57,500	57,600	2,540	2,412	2,616	2,412	63,500	63,600	2,834	2,706	2,910	2,706
51,600	51,700	2,251	2,123	2,327	2,123	57,600	57,700	2,545	2,417	2,621	2,417	63,600	63,700	2,839	2,711	2,915	2,711
51,700	51,800	2,256	2,128	2,332	2,128	57,700	57,800	2,550	2,422	2,626	2,422	63,700	63,800	2,844	2,716	2,920	2,716
51,800	51,900	2,261	2,133	2,337	2,133	57,800	57,900	2,555	2,427	2,631	2,427	63,800	63,900	2,849	2,721	2,925	2,721
51,900	52,000	2,266	2,138	2,342	2,138	57,900	58,000	2,560	2,432	2,636	2,432	63,900	64,000	2,854	2,726	2,930	2,726
52,000						58,000						64,000					
52,000	52,100	2,271	2,142	2,346	2,142	58,000	58,100	2,565	2,436	2,640	2,436	64,000	64,100	2,859	2,730	2,934	2,730
52,100	52,200	2,276	2,147	2,351	2,147	58,100	58,200	2,570	2,441	2,645	2,441	64,100	64,200	2,864	2,735	2,939	2,735
52,200	52,300	2,281	2,152	2,356	2,152	58,200	58,300	2,575	2,446	2,650	2,446	64,200	64,300	2,869	2,740	2,944	2,740
52,300	52,400	2,286	2,157	2,361	2,157	58,300	5										

If line 17 of Form PIT-1 ( <i>Taxable Income</i> ) is:		And you are:				If line 17 of Form PIT-1 ( <i>Taxable Income</i> ) is:		And you are:				If line 17 of Form PIT-1 ( <i>Taxable Income</i> ) is:		And you are:			
More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of House-hold	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of House-hold	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of House-hold
66,000						72,000						78,000					
66,000	66,100	2,957	2,828	3,032	2,828	72,000	72,100	3,251	3,122	3,326	3,122	78,000	78,100	3,545	3,416	3,620	3,416
66,100	66,200	2,962	2,833	3,037	2,833	72,100	72,200	3,256	3,127	3,331	3,127	78,100	78,200	3,550	3,421	3,625	3,421
66,200	66,300	2,967	2,838	3,042	2,838	72,200	72,300	3,261	3,132	3,336	3,132	78,200	78,300	3,555	3,426	3,630	3,426
66,300	66,400	2,972	2,843	3,047	2,843	72,300	72,400	3,266	3,137	3,341	3,137	78,300	78,400	3,560	3,431	3,635	3,431
66,400	66,500	2,977	2,848	3,052	2,848	72,400	72,500	3,271	3,142	3,346	3,142	78,400	78,500	3,565	3,436	3,640	3,436
66,500	66,600	2,981	2,853	3,057	2,853	72,500	72,600	3,275	3,147	3,351	3,147	78,500	78,600	3,569	3,441	3,645	3,441
66,600	66,700	2,986	2,858	3,062	2,858	72,600	72,700	3,280	3,152	3,356	3,152	78,600	78,700	3,574	3,446	3,650	3,446
66,700	66,800	2,991	2,863	3,067	2,863	72,700	72,800	3,285	3,157	3,361	3,157	78,700	78,800	3,579	3,451	3,655	3,451
66,800	66,900	2,996	2,868	3,072	2,868	72,800	72,900	3,290	3,162	3,366	3,162	78,800	78,900	3,584	3,456	3,660	3,456
66,900	67,000	3,001	2,873	3,077	2,873	72,900	73,000	3,295	3,167	3,371	3,167	78,900	79,000	3,589	3,461	3,665	3,461
67,000						73,000						79,000					
67,000	67,100	3,006	2,877	3,081	2,877	73,000	73,100	3,300	3,171	3,375	3,171	79,000	79,100	3,594	3,465	3,669	3,465
67,100	67,200	3,011	2,882	3,086	2,882	73,100	73,200	3,305	3,176	3,380	3,176	79,100	79,200	3,599	3,470	3,674	3,470
67,200	67,300	3,016	2,887	3,091	2,887	73,200	73,300	3,310	3,181	3,385	3,181	79,200	79,300	3,604	3,475	3,679	3,475
67,300	67,400	3,021	2,892	3,096	2,892	73,300	73,400	3,315	3,186	3,390	3,186	79,300	79,400	3,609	3,480	3,684	3,480
67,400	67,500	3,026	2,897	3,101	2,897	73,400	73,500	3,320	3,191	3,395	3,191	79,400	79,500	3,614	3,485	3,689	3,485
67,500	67,600	3,030	2,902	3,106	2,902	73,500	73,600	3,324	3,196	3,400	3,196	79,500	79,600	3,618	3,490	3,694	3,490
67,600	67,700	3,035	2,907	3,111	2,907	73,600	73,700	3,329	3,201	3,405	3,201	79,600	79,700	3,623	3,495	3,699	3,495
67,700	67,800	3,040	2,912	3,116	2,912	73,700	73,800	3,334	3,206	3,410	3,206	79,700	79,800	3,628	3,500	3,704	3,500
67,800	67,900	3,045	2,917	3,121	2,917	73,800	73,900	3,339	3,211	3,415	3,211	79,800	79,900	3,633	3,505	3,709	3,505
67,900	68,000	3,050	2,922	3,126	2,922	73,900	74,000	3,344	3,216	3,420	3,216	79,900	80,000	3,638	3,510	3,714	3,510
68,000						74,000						80,000					
68,000	68,100	3,055	2,926	3,130	2,926	74,000	74,100	3,349	3,220	3,424	3,220	80,000	80,100	3,643	3,514	3,718	3,514
68,100	68,200	3,060	2,931	3,135	2,931	74,100	74,200	3,354	3,225	3,429	3,225	80,100	80,200	3,648	3,519	3,723	3,519
68,200	68,300	3,065	2,936	3,140	2,936	74,200	74,300	3,359	3,230	3,434	3,230	80,200	80,300	3,653	3,524	3,728	3,524
68,300	68,400	3,070	2,941	3,145	2,941	74,300	74,400	3,364	3,235	3,439	3,235	80,300	80,400	3,658	3,529	3,733	3,529
68,400	68,500	3,075	2,946	3,150	2,946	74,400	74,500	3,369	3,240	3,444	3,240	80,400	80,500	3,663	3,534	3,738	3,534
68,500	68,600	3,079	2,951	3,155	2,951	74,500	74,600	3,373	3,245	3,449	3,245	80,500	80,600	3,667	3,539	3,743	3,539
68,600	68,700	3,084	2,956	3,160	2,956	74,600	74,700	3,378	3,250	3,454	3,250	80,600	80,700	3,672	3,544	3,748	3,544
68,700	68,800	3,089	2,961	3,165	2,961	74,700	74,800	3,383	3,255	3,459	3,255	80,700	80,800	3,677	3,549	3,753	3,549
68,800	68,900	3,094	2,966	3,170	2,966	74,800	74,900	3,388	3,260	3,464	3,260	80,800	80,900	3,682	3,554	3,758	3,554
68,900	69,000	3,099	2,971	3,175	2,971	74,900	75,000	3,393	3,265	3,469	3,265	80,900	81,000	3,687	3,559	3,763	3,559
69,000						75,000						81,000					
69,000	69,100	3,104	2,975	3,179	2,975	75,000	75,100	3,398	3,269	3,473	3,269	81,000	81,100	3,692	3,563	3,767	3,563
69,100	69,200	3,109	2,980	3,184	2,980	75,100	75,200	3,403	3,274	3,478	3,274	81,100	81,200	3,697	3,568	3,772	3,568
69,200	69,300	3,114	2,985	3,189	2,985	75,200	75,300	3,408	3,279	3,483	3,279	81,200	81,300	3,702	3,573	3,777	3,573
69,300	69,400	3,119	2,990	3,194	2,990	75,300	75,400	3,413	3,284	3,488	3,284	81,300	81,400	3,707	3,578	3,782	3,578
69,400	69,500	3,124	2,995	3,199	2,995	75,400	75,500	3,418	3,289	3,493	3,289	81,400	81,500	3,712	3,583	3,787	3,583
69,500	69,600	3,128	3,000	3,204	3,000	75,500	75,600	3,422	3,294	3,498	3,294	81,500	81,600	3,716	3,588	3,792	3,588
69,600	69,700	3,133	3,005	3,209	3,005	75,600	75,700	3,427	3,299	3,503	3,299	81,600	81,700	3,721	3,593	3,797	3,593
69,700	69,800	3,138	3,010	3,214	3,010	75,700	75,800	3,432	3,304	3,508	3,304	81,700	81,800	3,726	3,598	3,802	3,598
69,800	69,900	3,143	3,015	3,219	3,015	75,800	75,900	3,437	3,309	3,513	3,309	81,800	81,900	3,731	3,603	3,807	3,603
69,900	70,000	3,148	3,020	3,224	3,020	75,900	76,000	3,442	3,314	3,518	3,314	81,900	82,000	3,736	3,608	3,812	3,608
70,000						76,000						82,000					
70,000	70,100	3,153	3,024	3,228	3,024	76,000	76,100	3,447	3,318	3,522	3,318	82,000	82,100	3,741	3,612	3,816	3,612
70,100	70,200	3,158	3,029	3,233	3,029	76,100	76,200	3,452	3,323	3,527	3,323	82,100	82,200	3,746	3,617	3,821	3,617
70,200	70,300	3,163	3,034	3,238	3,034	76,200	76,300	3,457	3,328	3,532	3,328	82,200	82,300	3,751	3,622	3,826	3,622
70,300	70,400	3,168	3,039	3,243	3,039	76,300	76,400	3,462	3,333	3,537	3,333	82,300	82,400	3,756	3,627	3,831	3,627
70,400	70,500	3,173	3,044	3,248	3,044	76,400	76,500	3,467	3,338	3,542	3,338	82,400</					

If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:				If line 17 of Form PIT-1 (Taxable Income) is:		And you are:			
More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household	More Than	But Not Over	Single	Married Filing Jointly*	Married Filing Separately	Head of Household
84,000						88,000						92,000					
84,000	84,100	3,839	3,710	3,914	3,710	88,000	88,100	4,035	3,906	4,110	3,906	92,000	92,100	4,231	4,102	4,306	4,102
84,100	84,200	3,844	3,715	3,919	3,715	88,100	88,200	4,040	3,911	4,115	3,911	92,100	92,200	4,236	4,107	4,311	4,107
84,200	84,300	3,849	3,720	3,924	3,720	88,200	88,300	4,045	3,916	4,120	3,916	92,200	92,300	4,241	4,112	4,316	4,112
84,300	84,400	3,854	3,725	3,929	3,725	88,300	88,400	4,050	3,921	4,125	3,921	92,300	92,400	4,246	4,117	4,321	4,117
84,400	84,500	3,859	3,730	3,934	3,730	88,400	88,500	4,055	3,926	4,130	3,926	92,400	92,500	4,251	4,122	4,326	4,122
84,500	84,600	3,863	3,735	3,939	3,735	88,500	88,600	4,059	3,931	4,135	3,931	92,500	92,600	4,255	4,127	4,331	4,127
84,600	84,700	3,868	3,740	3,944	3,740	88,600	88,700	4,064	3,936	4,140	3,936	92,600	92,700	4,260	4,132	4,336	4,132
84,700	84,800	3,873	3,745	3,949	3,745	88,700	88,800	4,069	3,941	4,145	3,941	92,700	92,800	4,265	4,137	4,341	4,137
84,800	84,900	3,878	3,750	3,954	3,750	88,800	88,900	4,074	3,946	4,150	3,946	92,800	92,900	4,270	4,142	4,346	4,142
84,900	85,000	3,883	3,755	3,959	3,755	88,900	89,000	4,079	3,951	4,155	3,951	92,900	93,000	4,275	4,147	4,351	4,147
85,000						89,000						93,000					
85,000	85,100	3,888	3,759	3,963	3,759	89,000	89,100	4,084	3,955	4,159	3,955	93,000	93,100	4,280	4,151	4,355	4,151
85,100	85,200	3,893	3,764	3,968	3,764	89,100	89,200	4,089	3,960	4,164	3,960	93,100	93,200	4,285	4,156	4,360	4,156
85,200	85,300	3,898	3,769	3,973	3,769	89,200	89,300	4,094	3,965	4,169	3,965	93,200	93,300	4,290	4,161	4,365	4,161
85,300	85,400	3,903	3,774	3,978	3,774	89,300	89,400	4,099	3,970	4,174	3,970	93,300	93,400	4,295	4,166	4,370	4,166
85,400	85,500	3,908	3,779	3,983	3,779	89,400	89,500	4,104	3,975	4,179	3,975	93,400	93,500	4,300	4,171	4,375	4,171
85,500	85,600	3,912	3,784	3,988	3,784	89,500	89,600	4,108	3,980	4,184	3,980	93,500	93,600	4,304	4,176	4,380	4,176
85,600	85,700	3,917	3,789	3,993	3,789	89,600	89,700	4,113	3,985	4,189	3,985	93,600	93,700	4,309	4,181	4,385	4,181
85,700	85,800	3,922	3,794	3,998	3,794	89,700	89,800	4,118	3,990	4,194	3,990	93,700	93,800	4,314	4,186	4,390	4,186
85,800	85,900	3,927	3,799	4,003	3,799	89,800	89,900	4,123	3,995	4,199	3,995	93,800	93,900	4,319	4,191	4,395	4,191
85,900	86,000	3,932	3,804	4,008	3,804	89,900	90,000	4,128	4,000	4,204	4,000	93,900	94,000	4,324	4,196	4,400	4,196
86,000						90,000						94,000					
86,000	86,100	3,937	3,808	4,012	3,808	90,000	90,100	4,133	4,004	4,208	4,004	94,000	94,100	4,329	4,200	4,404	4,200
86,100	86,200	3,942	3,813	4,017	3,813	90,100	90,200	4,138	4,009	4,213	4,009	94,100	94,200	4,334	4,205	4,409	4,205
86,200	86,300	3,947	3,818	4,022	3,818	90,200	90,300	4,143	4,014	4,218	4,014	94,200	94,300	4,339	4,210	4,414	4,210
86,300	86,400	3,952	3,823	4,027	3,823	90,300	90,400	4,148	4,019	4,223	4,019	94,300	94,400	4,344	4,215	4,419	4,215
86,400	86,500	3,957	3,828	4,032	3,828	90,400	90,500	4,153	4,024	4,228	4,024	94,400	94,500	4,349	4,220	4,424	4,220
86,500	86,600	3,961	3,833	4,037	3,833	90,500	90,600	4,157	4,029	4,233	4,029	94,500	94,600	4,353	4,225	4,429	4,225
86,600	86,700	3,966	3,838	4,042	3,838	90,600	90,700	4,162	4,034	4,238	4,034	94,600	94,700	4,358	4,230	4,434	4,230
86,700	86,800	3,971	3,843	4,047	3,843	90,700	90,800	4,167	4,039	4,243	4,039	94,700	94,800	4,363	4,235	4,439	4,235
86,800	86,900	3,976	3,848	4,052	3,848	90,800	90,900	4,172	4,044	4,248	4,044	94,800	94,900	4,368	4,240	4,444	4,240
86,900	87,000	3,981	3,853	4,057	3,853	90,900	91,000	4,177	4,049	4,253	4,049	94,900	95,000	4,373	4,245	4,449	4,245
87,000						91,000						95,000					
87,000	87,100	3,986	3,857	4,061	3,857	91,000	91,100	4,182	4,053	4,257	4,053	95,000	95,100	4,378	4,249	4,453	4,249
87,100	87,200	3,991	3,862	4,066	3,862	91,100	91,200	4,187	4,058	4,262	4,058	95,100	95,200	4,383	4,254	4,458	4,254
87,200	87,300	3,996	3,867	4,071	3,867	91,200	91,300	4,192	4,063	4,267	4,063	95,200	95,300	4,388	4,259	4,463	4,259
87,300	87,400	4,001	3,872	4,076	3,872	91,300	91,400	4,197	4,068	4,272	4,068	95,300	95,400	4,393	4,264	4,468	4,264
87,400	87,500	4,006	3,877	4,081	3,877	91,400	91,500	4,202	4,073	4,277	4,073	95,400	95,500	4,398	4,269	4,473	4,269
87,500	87,600	4,010	3,882	4,086	3,882	91,500	91,600	4,206	4,078	4,282	4,078	95,500	95,600	4,402	4,274	4,478	4,274
87,600	87,700	4,015	3,887	4,091	3,887	91,600	91,700	4,211	4,083	4,287	4,083	95,600	95,700	4,407	4,279	4,483	4,279
87,700	87,800	4,020	3,892	4,096	3,892	91,700	91,800	4,216	4,088	4,292	4,088	95,700	95,800	4,412	4,284	4,488	4,284
87,800	87,900	4,025	3,897	4,101	3,897	91,800	91,900	4,221	4,093	4,297	4,093	95,800	95,900	4,417	4,289	4,493	4,289
87,900	88,000	4,030	3,902	4,106	3,902	91,900	92,000	4,226	4,098	4,302	4,098	95,900	96,000	4,422	4,294	4,498	4,294

If line 17 of Form PIT-1 (*Taxable Income*) is **over \$96,000** use the following table to compute your tax.

If you are:	Your Tax is...	plus	of taxable income in excess of:
Single	\$4,422.00	4.9%	\$96,000
Married Filing Jointly	\$4,294.00	4.9%	\$96,000
Married Filing Separately	\$4,498.00	4.9%	\$96,000
Head of Household	\$4,294.00	4.9%	\$96,000

\* This column must also be used by a qualifying widow(er). - 6T -

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## INSTRUCTIONS FOR 2016 PIT-ADJ

### SCHEDULE OF ADDITIONS, DEDUCTIONS, AND EXEMPTIONS

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#### GENERAL INFORMATION

If either of the following apply to you, complete PIT-ADJ:

- You are required to make certain additions to your federal adjusted gross income.
- You are eligible to take certain deductions and exemptions from your federal adjusted gross income.

The PIT-ADJ is required for you to claim certain additions, deductions, or exemptions. This schedule shows your total additions (line 5) and your total deductions and exemptions (line 22).

Enter these totals on your PIT-1 Return to calculate your New Mexico taxable income. After completing PIT-ADJ, attach it to your PIT-1 Return.

If the additions, deductions, or exemptions on this schedule do not apply to you, **DO NOT** complete this schedule and do not attach it to the PIT-1 return.

**IMPORTANT:** Do not add any amounts to Schedule PIT-ADJ that are not listed on this schedule. If an item is not listed, it is not a valid New Mexico addition, exemption, or deduction for this schedule. Do not submit a statement instead of this schedule. The Taxation and Revenue Department does not accept statements instead of the Schedule PIT-ADJ.

#### Additions to Federal Adjusted Gross Income (Lines 1–4)

You are required to report the following additions to your federal adjusted gross income on Schedule PIT-ADJ:

- **Line 1.** Interest and dividends from federal tax-exempt bonds.
- **Line 2.** A net operating loss carryover.
- **Line 3.** Contributions refunded when closing, or certain contributions rolled out of, a New Mexico-approved Section 529 college savings plan account.
- **Line 4.** A charitable deduction claimed on federal Form 1040, Schedule A, for a donation of

land to private non-profit or public conservation agencies for conservation purposes from which you were allowed the New Mexico land conservation tax credit.

Each addition is described in detail later in these instructions.

#### Deductions and Exemptions from Federal Adjusted Gross Income (Lines 6–21)

Use PIT-ADJ to claim the following deductions and exemptions:

- **Line 6.** New Mexico tax-exempt interest and dividend income.
- **Line 7.** A New Mexico net operating loss carryforward.
- **Line 8.** Interest on U.S. government obligations.
- **Line 9.** Railroad retirement income or Railroad Unemployment Insurance Act sick pay not taxable by New Mexico.
- **Line 10.** You, your spouse, or both are members of an Indian nation, tribe, or pueblo, and the income of the member was wholly earned on the lands of the reservation or pueblo of which one of you is a member while domiciled on that land, reservation, or pueblo. If either you or your spouse are not a member of an Indian nation, tribe, or pueblo, your income is taxable even when earned on the lands of the reservation or pueblo.
- **Line 10a and 10b.** Please enter the name of the Indian nation, tribe or pueblo of which you or your spouse is a member.
- **Line 11.** You, your spouse, or both are age 100 or over, and not dependents of another taxpayer.
- **Line 12.** You, your spouse, or both are age 65 or over or blind, and adjusted gross income is not over \$51,000 for a joint return; \$28,500 for a single taxpayer; or \$25,500 for married taxpayers filing separately.
- **Line 13.** Federally taxable contributions to or distributions from a New Mexico Medical Care Savings Account.
- **Line 14.** Contributions to a New

Mexico-approved Section 529 college savings plan.

- **Line 15.** Net capital gains deduction.
- **Line 16.** Armed forces active duty pay.
- **Line 17.** You, your spouse, or both are age 65 or over, and claiming unreimbursed or uncompensated medical care expenses of \$28,000 or more for yourself, your spouse, or dependents.
- **Line 18.** Expenses related to donating human organs to another person.
- **Line 19.** Reimbursement from the New Mexico National Guard Service Member's Life Insurance Reimbursement Fund.
- **Line 20.** Taxable refunds, credits, or offsets of state and local income taxes included from your federal adjusted gross income (Form 1040, line 10).
- **Line 21.** Active duty pay of a non-resident U.S. Public Health Service (USPHS) member.

Each deduction and exemption is described in detail later in these instructions.

#### PREPARING YOUR SCHEDULE PIT-ADJ

Complete your PIT-1 and then follow these steps to prepare and complete Schedule PIT-ADJ.

1. In the PIT-1 instructions, page 21, read *Important Guidelines*. This section gives helpful guidelines for completing schedules and forms.

2. Make sure you have all necessary records, approvals, and certifications for the PIT-ADJ.

3. On the 2016 Schedule PIT-ADJ, enter the primary taxpayer's name and social security number from lines 1a and 1b of your PIT-1 return. Make sure the name and number are correct and readable.

4. Using the detailed instructions for



each line on the next pages, complete the 2016 Schedule PIT-ADJ.

**5.** Double-check the figures on your 2016 Schedule PIT-ADJ. Be sure your arithmetic is correct and make sure all entries are complete and correct.

**6.** If line 11 is applicable, make sure you correctly marked the boxes.

**7.** Transfer the total on line 5 of this schedule to PIT-1, line 11.

**8.** Transfer the total on line 22 of this schedule to PIT-1, line 15.

**9.** Attach your completed PIT-ADJ, along with any other required attachments to your PIT-1 return. For other possible attachments, look for **Attach** headings in the instructions for lines 6, 7, 9, 11, 17, and 19.

## DETAILED INSTRUCTIONS FOR EACH LINE

### ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME

#### LINE 1

##### Interest and dividend income from federal tax-exempt bonds

Enter your interest and dividend income from all state and municipal bonds excluded from your federal adjusted gross income. This includes all federally tax-exempt interest and dividends reported on federal Forms 1040 or 1040A from state and municipal obligations.

**NOTE:** Use line 6 of PIT-ADJ to claim the deduction for interest and dividends of obligations exempt from New Mexico taxable income.

#### LINE 2

##### Federal net operating loss carryover

A positive number is required on this line. From federal Form 1040, line 21 (**Other income**), enter the amount of any federal net operating loss carryforward or carryback.

By making this entry, you are adding

the federal net operating loss taken on your federal return to the income you reported on PIT-1, line 9.

The rules for applying a net operating loss deduction to New Mexico taxable income are different from federal rules. To compute the New Mexico net operating loss carryforward, see line 7 later in these instructions.

#### LINE 3

##### Contributions refunded when closing a New Mexico-approved Section 529 college savings plan account and certain contributions rolled out of a New Mexico-approved Section 529 college savings plan account

Enter the amount of qualified contributions refunded to you or rolled over during the tax year from a New Mexico-approved Section 529 college savings plan account only if the contributions were deducted on an earlier New Mexico personal income tax return and if any of the following are true:

- You closed a New Mexico-approved Section 529 college savings plan account, and received a refund of the contributions. In this case, enter the amount of contributions refunded.
- You rolled over contributions from a New Mexico-approved Section 529 college savings plan account to a non-New Mexico-approved Section 529 college savings plan account. In this case, enter the amount of those contributions.

Do not include:

- Earnings refunded to the investor.
- Earnings rolled over from a New Mexico-approved Section 529 college savings plan account to a non-New Mexico-approved Section 529 college savings plan.
- Qualified distributions from the Section 529 college savings plan account.

For more information, see Brochure #6, *New Mexico Income Tax and Your Education Trust (529) Plan* on the Department's website.

#### LINE 4

### Charitable deduction amount claimed on federal Form 1040, Schedule A, for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were allowed the New Mexico Land Conservation Tax Credit

If both of the following are true, you must add back the charitable deduction amount included in the itemized deductions claimed on your federal Form 1040, Schedule A:

- You donated land to private non-profit or public conservation agencies for conservation purposes from which you claimed a New Mexico land conservation incentives tax credit.
- You claimed a charitable deduction for the same contribution in the federal itemized deductions on your federal personal income tax return.

If both are true, enter the charitable deduction amount claimed on federal Form 1040, Schedule A, from which you were allowed the New Mexico land conservation tax credit. However, this amount cannot be below the standard deduction amount you would have qualified for had you not itemized your deductions on the federal return.

Use the worksheet on the next page to compute the amount of the charitable deduction claimed on Form 1040, Schedule A to be added back to New Mexico taxable income.

### DEDUCTIONS AND EXEMPTIONS FROM FEDERAL ADJUSTED GROSS INCOME

#### LINE 6

##### New Mexico tax-exempt interest and dividends

Enter the total interest or dividend income you received from the following investments:

- State and local bonds exempt from New Mexico taxable income, including the State of New Mexico or its agencies, institutions, instrumentalities, or political subdivisions;
- Obligations of the Commonwealth of Puerto Rico, Guam, Virgin Is-

**Worksheet for computing the Charitable Deduction Amount claimed on Federal Form 1040, Schedule A, from which you were allowed the New Mexico Land Conservation Tax Credit**

1. Enter the charitable deduction you claimed on federal Form 1040, for a donation of land to private non-profit or public conservation agencies for conservation purposes from which you were allowed the New Mexico Land Conservation Tax Credit.	\$
2. Enter your total itemized deductions from federal Form 1040, line 40.	\$
3. Enter the sum of the amounts you reported on federal Form 1040, Schedule A, lines 4, 9, 15, 19, 20, 27, and 28.	\$
4. Divide line 2 by line 3. Round to 4 decimal places.	%
5. Multiply line 4 by line 1.	\$
6. Enter the standard deduction amount you could have claimed on federal Form 1040, line 40, if you had not itemized your federal allowable deductions.	\$
7. Add the amount entered on Form PIT-1, line 10, if any, to line 6 and enter the result here; otherwise, enter the amount from line 6.	\$
8. Subtract line 7 from line 2. If less than zero, enter zero.	\$
9. Enter the lesser of lines 5 and 8. <b>Also enter this amount on PIT-ADJ, line 4.</b>	

lands, American Samoa, or Northern Mariana Islands;

- Federally taxable bonds issued by the State of New Mexico; **and**
- Mutual funds, unit investment trusts, or simple trusts invested in obligations of the State of New Mexico or its agencies, institutions, instrumentalities, or political subdivisions, or from the Commonwealth of Puerto Rico, Guam, Virgin Islands, American Samoa, or Northern Mariana Islands.

You may deduct only the amount shown on the annual statement provided by the mutual fund, unit investment trust, or simple trust as flowing through to the investor from this investment income.

**NOTE:** You may not deduct interest and dividends from IRAs. IRAs invested in obligations of the State of New Mexico or its agencies, institutions, instrumentalities, or political subdivisions,

or from the Commonwealth of Puerto Rico, Guam, Virgin Islands, American Samoa, or Northern Mariana Islands do not qualify as a simple trust.

**Attach An Explanation**

If the amount on line 6 is more than the amount on line 1, attach an explanation to your return.

**LINE 7**

**New Mexico net operating loss carryforward**

If you have an unused New Mexico net operating loss carryforward from a previous year, enter the carryforward amount to apply against New Mexico taxable income for 2016.

All New Mexico net operating losses must flow from a federal net operating loss. You cannot have a New Mexico net operating loss without a federal net operating loss.

Unlike a federal net operating loss car-

ryforward, a New Mexico net operating loss incurred cannot be carried back and if incurred on or after January 1, 2013, may 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 before January 1, 2013, a New Mexico net operating loss may be carried forward for only five years. Refer to regulation 3.3.1.13(E) NMAC 1978, if the net operating loss was incurred in a tax year beginning prior to January 1, 1991.

The first year you can apply a New Mexico net operating loss is:

- If you filed your return on time, you can apply it the following tax year, **or**
- You can apply it the first tax year that begins after the date you file a return establishing the loss.

**Calculation**

To calculate the carryforward amount from a New Mexico net operating loss recognized in a previous year, follow these steps:

- Add the next two amounts.
  - The federal net operating loss as defined by Section 172(c) of the Internal Revenue Service for the tax year of the loss.
  - Any interest received on U.S. government obligations less related expenses reported on your New Mexico tax return for the tax year of the loss.
- From the total in step 1, subtract any loss used in earlier tax years.

**Attach Form RPD-41369**

To show the tax year when each New Mexico net operating loss occurred and how the loss was used for each tax year, for which the loss was carried forward, attach to your return Form RPD-41369, *Net Operating Loss Carryforward Schedule*.

**LINE 8**

**Interest received on U.S. government obligations**

Enter the interest you received from U.S. government obligations, including

any of the following:

- U.S. savings bonds
- Treasury bills
- Notes issued by the Federal Home Loan Banks (do not include dividends)
- U.S. government obligations from your share of income from partnerships, S corporations, or limited liability companies, or a distribution from a unit investment or simple trust

#### Deduct Dividends

You may deduct dividends from mutual funds invested in U.S. government obligations according to the percentage of the total fund invested in U.S. government obligations.

To deduct these dividends, the fund must give investors statements showing the amount of interest income from investments in U.S. government obligations.

#### Do Not Deduct As Interest

Interest from the Government National Mortgage Association (Ginnie Mae), Federal National Mortgage Association (Fannie Mae), or Federal National Home Loan Mortgage Association (Freddie Mac), is not deductible as interest on U.S. government obligations.

#### LINE 9

#### Taxable Railroad Retirement Act annuities and benefits, and taxable Railroad Unemployment Insurance Act sick pay

If your taxable Railroad Retirement Act annuities and benefits, or your taxable

Railroad Unemployment Insurance Act sick pay were part of your federal taxable income, enter the total of those amounts.

#### Attach Forms RRB-1099 and RRB-1099-R

You may receive one or both of these forms from the the Railroad Retirement Board. Attach the form(s) you receive to your return.

#### LINES 10, 10a, and 10b

#### Income of a member of a New Mexico federally-recognized Indian nation, tribe, or pueblo that was wholly earned on the lands of the reservation or pueblo of which the individual is an enrolled member while domiciled on that land, reservation, or pueblo

If you, your spouse, or both, were enrolled members of a New Mexico federally-recognized Indian nation, tribe, or pueblo, your income is exempt from federal adjusted gross income if:

- You lived on the land of the Indian nation, tribe, or pueblo of membership when you earned the income, **and**
- You earned the income on the lands of that nation, tribe, or pueblo.

You must meet both conditions.

**IMPORTANT:** Income (including retirement or pension income) earned **off** the lands of your own or your spouse's nation, tribe, or pueblo is subject to New Mexico income tax no matter where you live.

#### When Armed Forces Pay and Retirement or Pension Income is Exempt

Armed forces pay of an enrolled member is exempt only for times when the home of record is on the member's own Indian nation, tribe, or pueblo lands.

Retirement or pension income is exempt only when the retirement or pension is the result of employment **on** the member's Indian nation, tribe, or pueblo.

On line 10, enter the amount of qualifying income. On lines 10a and 10b, enter the name of your and, if applicable, your spouse's Indian nation, tribe, or pueblo.

**NOTE FOR LINES 10 AND 11:** You may not claim combined exemptions and deductions for more than 100% of income. If you claim rebates and credits on PIT-RC, you must also include amounts exempted or deducted on PIT-ADJ, lines 10 and 11 as income when calculating modified gross income. For more information, see the instructions for PIT-RC.

#### LINE 11 and BOXES 11a and 11b Income of persons age 100 years or older

To qualify for this income exemption both of the following must be true:

- The taxpayer or spouse must be 100 years or older (a centenarian) at the end of the tax year for which you claim the exemption.
- Someone else cannot claim the centenarian as a dependent.

**TABLE 1. Exemptions for Persons 65 or Older or Blind (see line 12 instructions)**

TABLE 1. Exemptions for Persons 65 or Older or Blind (see line 12 instructions)						
Married Filing Jointly, Head of Household, Qualifying Widow(er)		Single		Married Filing Separately		Amount for each taxpayer 65 or older, or blind, for federal income tax purposes
Adjusted Gross Income PIT-1 Return, Line 9		Adjusted Gross Income PIT-1 Return, Line 9		Adjusted Gross Income PIT-1 Return, Line 9		
<u>But not Over</u>		<u>But not Over</u>		<u>But not Over</u>		
\$ 0	\$30,000	\$ 0	\$18,000	\$ 0	\$15,000	-----\$ 8,000
30,001	33,000	18,001	19,500	15,001	16,500	----- 7,000
33,001	36,000	19,501	21,000	16,501	18,000	----- 6,000
36,001	39,000	21,001	22,500	18,001	19,500	----- 5,000
39,001	42,000	22,501	24,000	19,501	21,000	----- 4,000
42,001	45,000	24,001	25,500	21,001	22,500	----- 3,000
45,001	48,000	25,501	27,000	22,501	24,000	----- 2,000
48,001	51,000	27,001	28,500	24,001	25,500	----- 1,000
51,001	-----	28,501	-----	25,501	-----	----- 0

If you qualify, mark the box or boxes on lines 11a and 11b.

**IMPORTANT:** If you do not mark the box or boxes, the Department denies this exemption.

See the previous **NOTE FOR LINES 10 AND 11.**

**Unmarried Centenarians.** If you are an unmarried centenarian, you do not need to file a return unless you want to claim rebates and credits available for low income filers.

**Married Centenarians.** New Mexico is a community property state, and rules are different for married centenarians.

If you are a married centenarian filing jointly or separately, you may exempt **half** of all community income and **all** of your separate income.

#### **Attach A Statement**

If you report an exemption for more or less than 50% of total joint income, attach a statement to your return showing a correct division of community property along with separate income and payments.

Not allowed are combined exemptions and deductions for more than 100% of income.

**IMPORTANT:** If you claim rebates and credits on Schedule PIT-RC, include this exempt income in calculating modified gross income on that schedule. See the instructions for Schedule PIT-RC.

For more information, see Bulletin B-300.03, *New Mexico Exempts 100(+)-Year-Olds from Personal Income Tax*, on the Department's website.

#### **LINE 12**

##### **Exemption for persons age 65 or older, or blind**

You may be eligible for an exemption of up to \$8,000 based on your filing status and your federal adjusted gross income from PIT-1, line 9, if:

- You are 65 or older, **or**
- You are not yet 65, but considered

blind for federal income tax purposes.

Find the column in Table 1 that matches your filing status. Then find the row that includes your federal adjusted gross income. Read across to the last column for the exemption amount.

When both persons in a married couple are either 65 or older **or** blind on the last day of the tax year, the amount in the table applies to **each** taxpayer on a joint return.

#### **Mark Correct Boxes on PIT-1 Return**

If you or your spouse are 65 years of age or older, on page 1 of PIT-1 mark boxes **1d** and **2d**. If you or your spouse are blind for federal income tax purposes, mark boxes **1c** and **2c**. If the boxes are not marked correctly, the Department denies this exemption on the Schedule PIT-ADJ.

The Department at some time may request proof that you or, if applicable, your spouse are blind for federal purposes. Do not attach the proof to your return.

**NOTE:** The Department allows only one deduction per person. You cannot take deductions for being both 65 or older **and** blind.

**EXAMPLE:** A married couple files jointly and both people are 65 or older. Their federal adjusted gross income is \$35,000. According to Table 1, the exemption amount is \$12,000 or \$6,000 x 2.

If the same couple is also blind, the exemption is still \$12,000.

**EXAMPLE:** A married couple files jointly. The primary taxpayer is 65 and the spouse is 45 and blind. Their federal adjusted gross income is \$28,000. According to Table 1, the exemption is \$16,000 or \$8,000 x 2.

#### **LINE 13**

##### **Exemption for New Mexico medical care savings account**

If you or your spouse are enrolled in a New Mexico Medical Care Savings

Account (NMMSA) established by an employer, and during 2016 you made or received contributions to the account or made or received distributions from the account, you may be entitled to claim a New Mexico medical care savings account exemption.

An NMMSA is a tax-exempt trust or custodial account set up by a self-employed individual or a small employer who maintains a high-deductible individual or family health plan. The funds from the NMMSA are used to pay the employee's unreimbursed medical care expenses. To qualify for the exemption, the qualified contributions or distributions must be included in your federal taxable income.

#### **When You Can Claim This Exemption**

If the following are included in your federal adjusted gross income, they are exempt from New Mexico income tax and reported on line 13:

- Principal contributed to an NMMSA
- Interest earned on an NMMSA
- Money paid for eligible medical expenses from funds in an NMMSA
- Money advanced to the employee by the employer for eligible medical expenses, according to the Medical Care Savings Account Act

Do not include excess contributions, unqualified distributions, or money rolled over into another NMMSA.

#### **When You Cannot Claim This Exemption**

Generally, qualified contributions and earnings are excluded, exempted, or deducted from federal adjusted gross income and distributions paid for eligible medical expenses are excluded, exempted, or deducted from federal taxable income. If your qualified contribution or distribution is excluded, exempted, or deducted from federal taxable income, you may not claim the exemption from New Mexico taxable income.

#### **LINE 14**

##### **Deduction for contributions to a New Mexico-approved Section 529 college savings plan**



The New Mexico Education Trust Fund is an account in one of the New Mexico-approved Section 529 college savings plans.

You can deduct contributions you made to the fund during the tax year for each beneficiary. Contributions include the principal and earnings of amounts rolled over to a New Mexico-approved Section 529 college savings plan account from a non-New Mexico-approved Section 529 college savings plan.

A taxpayer and spouse who file separate returns (filing status is married filing separately) may each claim one-half of the deduction allowed on a joint return.

**NOTE:** You may only deduct contributions to a Section 529 plan established and approved by the New Mexico Education Trust Board. See Brochure #6, *New Mexico Income Tax and Your Education Trust (529) Plan*, on the Department's website.

#### **LINE 15** **Net capital gains deduction**

You may deduct all or part of your net capital gains reported and claimed on your federal tax return. You may deduct the greater of:

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

A taxpayer and spouse who file separate returns (filing status is married filing separately) may each claim only one-half of the net capital gains deduction allowed on a joint return.

**IMPORTANT:** You may not claim the net capital gains deduction in addition to credit provided by the Venture Capital Investments Act.

#### **LINE 16** **Armed Forces active duty pay**

Armed forces includes the Army, Navy, Air Force, Marine Corps, and Coast Guard. "Active duty," as defined in 37 USC 101, means full-time duty in active service. It includes the following:

- Full-time training duty
- Annual training duty
- Full-time National Guard duty
- Attendance, while in active service, at a school designated as a service school by law or by the Secretary of the service

If pay, wages, or salaries paid to you or your spouse for U.S. Armed Forces active duty service was included in your federal adjusted gross income on your PIT-1 return, line 9, enter the amount here.

This exemption applies to residents and to non-residents of New Mexico.

**NOTE:** If you received active duty pay from the U.S. Public Health Service (USPHS), do not enter the income on this line. See the instructions for line 21.

**Income Inside and Outside the State**  
If you have income from inside and outside New Mexico, also see the instructions for 2016 Schedule PIT-B, lines 1 and 11.

#### **LINE 17** **Medical care expense exemption for persons age 65 years or older**

If you or your spouse are 65 years of age or older, and you paid unreimbursed and uncompensated medical care expenses of \$28,000 or more during tax year 2016, you may be eligible to claim an exemption of \$3,000.

If you meet the following qualifications and your expenses are allowed (see the next paragraph), enter \$3,000 on line 17 to claim the exemption:

- This exemption is for medical care expenses for the care of any combination of you, your spouse, or your dependents.
- The exemption is allowed for out-of-state residents with an income tax responsibility to New Mexico.

**Types of Medical Expenses Allowed**  
The types of medical expenses you may include are described in PIT-1 instructions for line 16, with one exception. You may **include** unreimbursed and uncompensated medical care

expenses included in the itemized deductions on federal Form 1040, Schedule A.

The unreimbursed and uncompensated medical care expenses used to compute this exemption include all qualified expenses used to calculate the refundable medical care credit for persons 65 or older reported on Schedule PIT-RC, line 23.

You may also include unreimbursed and uncompensated medical care expenses used to compute the medical care expense deduction claimed on PIT-1, line 16.

#### **Attach PIT-RC**

If you are eligible to claim this exemption, you are also eligible to claim the refundable medical care credit for persons 65 years or older reported on Schedule PIT-RC, line 23. This gives you an additional tax benefit. To claim that tax credit, complete and attach Schedule PIT-RC to your return.

#### **LINE 18** **Deduction for organ donation-related expenses**

"Human organs" are defined as all or part of a heart, liver, pancreas, kidney, intestine, lung, or bone marrow.

Enter any human organ donation-related expenses, not to exceed \$10,000. This includes your or your dependent's lost wages, lodging, and travel expenses incurred during the tax year.

A taxpayer and spouse who file separate returns (filing status is married filing separately) may each claim only one-half of the deduction (or exemption) allowed on a joint return.

#### **LINE 19** **New Mexico National Guard member life insurance reimbursements tax exemption**

If you receive a reimbursement from the National Guard Service Member's Life Insurance Reimbursement Fund, you may claim a personal income tax exemption in the amount of the reimbursement.

The New Mexico Office of Military Affairs issues the reimbursement and sends each recipient a Form 1099-MISC for the reimbursement.

**Attach Form 1099-MISC**

If you claim a New Mexico National Guard member life insurance reimbursements tax exemption, attach Form 1099-MISC to your return to support your exemption.

**LINE 20**

**Taxable refunds, credits, or offsets of state and local income taxes from federal Form 1040, line 10**

For tax years beginning on or after January 1, 2011, a deduction is allowed for the amount you entered on the current year federal Form 1040, line 10, for **Taxable refunds, credits or offsets of state and local income taxes**.

To qualify, you must have itemized

your deductions and included these refunds, credits, or offsets in adjusted gross income on a prior year federal Form 1040, Schedule A. You are required to report the taxable refunds credits or offsets of state and local income taxes on the current year (2016) federal Form 1040.

**LINE 21**

**Non-resident U.S. Public Health Service members' active duty pay**

Enter the amount of income earned in New Mexico for active duty in the USPHS only if you are a non-resident of New Mexico. If you changed residency or domicile to or from New Mexico during the tax year, enter only the pay you earned while you were a non-resident of New Mexico.

This exemption applies only to non-residents of New Mexico.

**Income Inside and Outside the State**

If you have income from inside and

outside New Mexico, also see the instructions for 2016 Schedule PIT-B, lines 1 and 11.

The spouse who moves to New Mexico for the sole purpose of being with their spouse, who is on active duty with the U.S. Public Health Service, may be eligible to allocate and apportion their income from services performed to their state of legal residency. In the instructions for PIT-B, see *Income and Residency of Military Servicemember's Spouse*.

*The Department encourages all taxpayers to file online.  
Electronic filing is fast and secure. It provides the  
fastest turnaround for a refund and saves tax dollars,  
costing less to process than a paper return.*