Taxation and Revenue Department Announces Expanded Qualifications for Tax Penalty Forgiveness Program

Changes Will Benefit Small Businesses and Individual Taxpayers

Santa Fe, NM – Today, the New Mexico Taxation and Revenue Department (TRD) announced it has expanded the qualifications for small businesses and personal income tax liabilities for the managed-audit program. These changes will allow more individual taxpayers and small businesses to utilize the program. A managed audit is a voluntary program that allows taxpayers to pay back taxes without penalty or interest.

"These changes will provide more opportunities for New Mexico taxpayers to come into compliance with New Mexico's tax laws while avoiding costly penalties and interest," said John Monforte, Acting Cabinet Secretary for the New Mexico Taxation and Revenue Department. "The Department is committed to streamlining tax compliance for New Mexico taxpayers – through these efforts our agency can better assist small businesses as they navigate the system."

In an effort to encourage higher levels voluntary compliance, TRD will allow qualified taxpayers who owe back taxes to conduct self-audits. Taxpayers can now come in for certain liabilities identified by the department which was not previously allowed. This change will benefit taxpayers because TRD will waive the penalty and the interest if the liabilities are paid within the 180 days. If taxpayers do not come in for the Managed Audit, they will be assessed for tax, penalty and interest. Taxpayers must be able to remit payment within 180 days or interest will be applied to the remaining assessment amount after that time period has elapsed.

For additional information on the managed (self) audit program and how these changes could benefit you, please call (505) 841-6216. Also, a frequently asked questions fact sheet can be accessed at http://www.tax.newmexico.gov/Tax-Professionals/managed-audits-esc.aspx.

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