



STATE OF NEW MEXICO
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**Tax Department Switches to Digital Processing of Personal Checks;
Will No Longer Automatically Mail Income Tax Packages**
Both Measures Will Save State Nearly \$90,000

SANTA FE – State Taxation and Revenue Secretary Demesia Padilla today announced that the State will no longer automatically mail personal income tax packages to individual taxpayers, a move that is expected to result in over \$70,000 in savings for the State. The Department has also switched to digital processing of personal checks that will save an additional \$18,000 and enable faster deposits of money into State accounts for investments and accruing interests.

“We’re urging taxpayers to file their income tax returns online so we can process their refunds much faster with fewer errors,” said Secretary Padilla. “E-filing is the most efficient and easiest method of filing tax returns.”

Last year, the Department mailed tax packages to 88,000 individuals at a total cost of \$140,000. The tax packages contain the forms, schedules and instructions for filing a state income tax return. This year, the Department will be sending these same taxpayers a postcard urging them to file electronically. The Department will mail tax packages only if requested.

“We really don’t know how many of those taxpayers used the packages mailed to them or just tossed them in a bin,” Secretary Padilla said. “We will only mail tax packages if requested by taxpayers. This is a commonsense approach that will save us money in these tough economic times.”

The mailer sent to the taxpayers provides information on other options to receive their New Mexico income tax forms and instructions:

- Taxpayers can file electronically at www.tax.newmexico.gov;
- Taxpayers can get the necessary forms and instructions online at www.tax.newmexico.gov;
- Taxpayers can visit one of the local tax offices located in New Mexico or a local library;
- Taxpayers can mail in the postcard to request forms by mail.

Over one million personal income tax returns are filed in New Mexico each year and about 82 percent of them are filed electronically. Paper filings have on average a 28 percent error rate typically because of illegible information which results in human errors. It also takes much longer to process paper filings and return refunds.

“We have also switched to digital processing of all personal checks that will enable us to deposit the money into state accounts for investments and accruing interests by at least one to two days faster,” Secretary Padilla said. “Since the checks clear immediately, we will spend less time processing bounced checks and dealing with collection services. This will improve our operational efficiencies.”

The Department collects over \$530 million each year in personal checks from taxpayers for personal income and motor vehicle taxes.