



STATE OF NEW MEXICO
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**New Mexico joins Internal Revenue Service
Offshore Compliance Initiative**

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Santa Fe - The Secretary of New Mexico's Taxation and Revenue Department announced today that New Mexico will participate in the Internal Revenue Service's (IRS) Offshore Compliance Initiative (OVCI) to grant special consideration to taxpayers who voluntarily come forward and amend their tax returns to reflect offshore accounts.

"We are pleased to announce that New Mexico's 13 state Judicial Districts have joined efforts with Taxation and Revenue and the IRS to grant special consideration to individuals who voluntarily participate in the OVCI," said Secretary Jan Goodwin, "the state will not prosecute taxpayers that come forward to pay their taxes under this program. Taxpayers will still owe principal, penalty and interest," she said.

The OVCI program targets individuals who deposit income into offshore accounts and later use credit cards issued by those banks to reclaim the untaxed funds. Under the OVCI taxpayers who have used offshore payment cards or other offshore financial arrangements to avoid U.S. taxes can voluntarily correct their tax returns and disclose information regarding their offshore accounts to the IRS by April 15, 2003.

Goodwin said that individuals who file with IRS by the April 15, 2003 deadline will have until October 15, 2003 to amend their New Mexico income tax returns and remit to the state all taxes, penalties, and interest due. To date 10 states are participating in the program, she said. Participating states include: California, Idaho, Louisiana, Maryland, Nebraska, New Jersey, New York, North Carolina, Utah, and Vermont.

According to the IRS, eligible taxpayers who step forward will not face civil fraud and information return penalties and those who come forward will avoid criminal prosecution based upon application of the revised voluntary disclosure practice. Taxpayers will however, have to pay back taxes, interest, and delinquency penalties

Anyone interested in participating in New Mexico's program should contact: Alvan Romero, Director of Tax Fraud Investigations Division at 505-827-0354.