



STATE OF NEW MEXICO
Taxation and Revenue Department
An Equal Opportunity Employer

**Bill
Richardson**
Governor

Jan Goodwin
Secretary

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**TAXATION AND REVENUE TO OFFER PROGRAM
TO WAIVE PENALTY AND INTEREST CHARGES FOR TAXPAYERS**

September 18, 2003

Santa Fe -- Taxation and Revenue Department Secretary Jan Goodwin announced today that taxpayers will be given an opportunity to pay unreported taxes and possibly have penalties and interest charges waived under an expansion of the Department's Managed Audit Program.

Under the Managed Audit Program, taxpayers who know that they may owe unreported taxes can approach the tax department, conduct a self-audit under the guidance of department officials and report the tax liability. If the liability is paid within thirty days, penalties and interest will be waived.

"Taxpayers who take advantage of this program may save thousands in penalty and interest charges," Goodwin said, adding that penalties accrue at the rate of 2 percent per month, capping at 10 percent, whereas interest accrues at 15 percent per year.

Goodwin said the expansion resulted from a provision in the Governor's Taxpayer Bill of Rights -- which was carried by Representative Lucky Varela, which was passed during the last legislative session.

"The expansion of this program is all in keeping with the Governor's initiatives to increase revenues through improved collections," Goodwin said. Goodwin expects to add \$50 million to the general fund by June 2004 through increased collections.

Previously, Goodwin explained, the Managed Audit Program had been available only through certain business tax programs. The program will now be available to all tax programs administered under the Tax Administration Act. These programs include personal income taxes, corporate income taxes, gasoline taxes, oil and gas severance taxes among others.

In addition to payment of the liability within thirty days, taxpayers entering the program cannot already be under audit by the Department. Additionally, waiver of penalty and interest does not apply to tax liabilities that have already been assessed by the Department or previously reported by the taxpayer.

For more information on how to apply for the program, please contact Jerry Montoya at (505) 827-0929.