

GENERAL INSTRUCTIONS

A. Property Valuation Day

All property subject to valuation for property taxation purposes shall be valued as of January 1 of each tax year. Livestock and Construction and Drilling Contractors equipment shall be valued as of the date and in the manner prescribed under Sections 7-36-21 NMSA 1978, Special Method of Valuation; Livestock and 7-36-33 NMSA 1978, Special Method of Valuation; Certain industrial and commercial personal property.

B. Persons Preparing the Report

Reports are to be prepared by the owner of the property or the lessee of the property used in the conduct of business. Authorized agents who have filed previous **written authorization** with the Department may also prepare reports.

C. Reporting Requirements

All reports submitted should be prepared from the books and records of the property owner. Every report is subject to verification by audit and appraisal. Please complete and **return the original report** to the State Assessed Property Bureau and retain a copy for your records.

Reports must be filed with the Property Tax Division, State Assessed Property Bureau, in Santa Fe, New Mexico, on or before the last day of February of the tax year. If an extension of time for filing a report is needed please submit form CAB-EXT. When approved by the Director of the Property Tax Division, the time for filing of the report shall be postponed for a maximum of thirty (30) days. A copy of the Director's order granting extension must be returned with the report. An extension must be requested on or before the due date to prevent penalty. When a report is mailed, the postmark shall be the date used for purposes of computing penalty. If the last day for filing the report falls on Saturday, Sunday or a legal state or national holiday, filing is timely if performed on the next workday. If mail is received without a postmark, it will be considered to have been postmarked five (5) days before receipt.

D. Records Maintenance

Every reporting entity shall maintain maps, books, and accounts of all property subject to assessment in a manner that will permit accurate valuation and location as of January 1 of the tax year.

Reporting requirements are per New Mexico statutes and regulations. All reports must include the following specific breakdowns:

- 1) Listing of all property (real and personal) located in the State of New Mexico on January 1 of the tax year.
- 2) The exact specific location of such property by:
 - a) County
 - b) School District
 - c) Municipality
 - d) Special Districts

Contact State Assessed Property Bureau for assistance on School Districts.

E. Regulatory, Stockholder's, and other Reports

All companies **must** provide a copy of the Annual Report that is submitted to their respective federal and state regulatory bodies. In addition, all companies that provide an Annual Report to their stockholders **must** submit their current report to the State Assessed Property Bureau. If your company is a subsidiary, you must submit the parent's stockholders report. If none of this applies, then you must submit **Audited** Financial Statements, i.e., Balance Sheet & Income Statement.

F. Penalties

Any person who fails to timely file a required report, a complete report, or requested supporting data, is liable for a civil penalty. The civil penalty is an amount equal to five percent (5%) of the property taxes ultimately determined to be due for the tax year or years for which the required report or data was not filed.

Any person who fails to file a required report or requested supporting data with the intent to evade any tax, or who fails to make a required report with the intent to evade any tax, is liable for a civil penalty.

The civil penalty is an amount equal to twenty-five percent (25%) of the property taxes ultimately determined to be due for the tax year or years for which the required report was not filed. Any person who intentionally refuses to file a required report or who knowingly makes a false statement in a required report is guilty of a misdemeanor and shall be punished by the imposition of a fine of not more than one thousand dollars (\$1,000).

The civil penalties authorized shall be imposed and collected at the time and in the manner that the tax is imposed and collected in order to assist in the imposition and collection of the penalties. The person having responsibility for determining the value of the property shall make an entry in the valuation records indicating the liability for any penalties due per Section 7-38-8, Subsections F through I, NMSA 1978.

G. Reporting Forms

The general and special industry forms provided are to be completed in their entirety. Use the proper form for each type of property, as defined or explained in the general and special industry form instructions. Do not leave any line blank. Use the word "none" or "not applicable" when the line does not apply.

Company computer generated printouts, provided the computer-generated printout contains the same information as requested on the reporting forms, this may substitute for the general and special industry forms. The computer printout utilized must be clearly labeled as to the information provided and cross-referenced to the reporting form that it replaces. This applies to all general and special industry reporting forms except for **CAB-02 Form, New Mexico Property Summary** and **CAB-03 Form, County Property Summary**. These forms cannot be substituted, unless they are duplicated EXACTLY.

The columns entitled "Account Number" on **CAB-04 Form, Real Estate, Buildings and Improvements** and **CAB-05 Form, Report of Personal Property**, are applicable only to electric utilities and telephone and telegraph companies where property is identified by FCC, FERC or REA account numbers.

1. CAB-01 Form, Application for Registration

This application is to be used by taxpayers who are not registered with the State Assessed Property Bureau of the Property Tax Division. The information contained on this registration form is maintained by the SAPB and reflects the most current information of the entity's business operations in New Mexico.

2. CAB-01 (A) Form, Taxpayer Information

This form is to be used by taxpayers who have already registered with the State Assessed Property Bureau of the Property Tax Division. This form should be reported annually and signed by the owner of the property, a partner, an officer, or an authorized agent who has previously filed written authorization and forwarded to the Property Tax Division, State Assessed Property Bureau. If there are any changes in your business, they can be reflected on this form.

3. CAB-02 Form, New Mexico Property Summary

This reporting form is a summary of all the counties' total property valuation for the reporting property owner in New Mexico. This form is to be completed in its entirety, signed and dated by the property owner or an authorized agent. The "property value" and "taxable value" are posted from **CAB-03 Form, County Property Summary**.

4. CAB-03 Form, County Property Summary

This reporting form is a summary of all the school districts' total property values by New Mexico County. The property values listed on this form are posted from the special and general reporting forms by school district and must be indicated in the column titled "form posted from". Please use a separate CAB-03 Form for each county in which property is reported and subtotal by school district. The "taxable value" on this form is the "property value" by application of the tax ratio of thirty-three and one-third percent (33-1/3%). Please divide by three (3). The county totals are then posted to **CAB-02 Form, New Mexico Property Summary** for each county in order to determine the total property valuation for the reporting property owner.

5. CAB-04 Form, Real Estate, Buildings and Improvements

This form is used to report all owned and leased real estate, buildings and improvements. List the real estate by complete legal description, improvements by tract location, and group by school district. Report land, buildings and improvements separately. If property is located in more than one county, use a separate CAB-04 Form for each category by county. Report only leased or rented

property where the tax liability rests with the lessee. Use the respective percent good tables, when applicable, and the purchase date to determine the correct factor. Multiply the percent good factor times the original cost to calculate the property value. If the Percent Good Tables are not applicable for your industry, list the purchase date, the original cost and the accumulated depreciation to determine Property Value.

This consolidated reporting form is to be used to report buildings, improvements and land whether owned, leased or rented as indicated in the heading of this form. Be sure to indicate the property type by placing a check mark in the appropriate box.

No entry is required in the column entitled "CAB USE ONLY". The column entitled "Account Number" is to be used only by electric, telephone and telegraph utilities where an account number is required in the FCC, FERC or REA Report (Refer to Items 4-b and 4-c of this instruction.).

Subtotal all property separately by county, school district, municipality and other special taxing jurisdictions.

Should additional space be required for a county, complete additional CAB-04 Forms and total all columns on the last page. If the appraised value column is used, give the date and origin of the appraisal. Land and land rights should be reported separately with land reported by situs (location) and total investment in land rights reported for reconciliation purposes only.

The property values determined on this form are to be posted to **CAB-03 Form, County Property Summary**.

- a) **Mineral Property** - Report all owned or leased real estate held or used in connection with mineral property by complete legal description. Items to be listed on this form include but are not limited to: land used for processing, milling, smelting, leaching, waste dumps, residential housing and office buildings and other land held or used in connection with mineral property. List Productive or Nonproductive Mineral Land on **CAB-M1 Form, Mineral Property Valuation Schedule**.
- b) **All Electric Utilities** - Report all owned and leased real estate, buildings and improvements by complete legal description.
- c) **All Telecommunications Utilities** - Report all owned and leased real estate, buildings and improvements by complete legal description.

All land being reported on any schedule must include a complete legal description, an attached copy of the real estate deed, an attached copy of the real estate contract, or a complete and correct reference to the Book and Page of the County Clerk's records wherein the property is recorded. Failure to include this information in the Tax Year Rendition will result in an incomplete rendition and a 5% penalty may be applied as per Section 7-38-8 NMSA 1978.

All reporting entities must also include a breakdown, by taxing jurisdiction, of all property located within SPECIAL TAXING DISTRICTS. Failure to provide this information will also result in the application of incomplete rendition penalties. Contact the State Assessed Property Bureau if you need additional information regarding the location of a specific parcel of land.

6. CAB-05 Form, Report of Personal Property

List all owned leased or rented personal property used in the respondent's operation or used in the conduct of the business in New Mexico. Personal property is tangible property that is not part of, or permanently fixed to, a building or structure. Personal property includes but is not limited to office furniture, machinery and equipment, machinery, equipment, supplies, materials and inventories used in the conduct of your business. Canned computer software is considered to be tangible property. Embedded software is considered to be a part of the machinery or equipment in which it resides. Custom software is considered to be intangible.

This consolidated personal property reporting form is to be used by personal property types as indicated in the heading of this form. When reporting personal property be sure to indicate the type of personal property by placing a check mark in the appropriate box. Use a separate CAB-05 Form to report each type of personal property.

List the property chronologically by school district and subtotal. Report only leased or rented property when the tax liability rests with the lessee. Use the respective percent good tables and the purchase date to determine the correct factor. Multiply the percent good factor times the original cost to calculate the property value. If the Percent Good Tables are not applicable to your industry, list the

purchase date, the original cost and the accumulated depreciation to determine Property Value. The property value determined on this form is posted to **CAB-03 Form, County Property Summary**. No entry is required in the column entitled "CAB USE ONLY" The column entitled "Account Number" is to be used only by electric or telephone utilities where an account number is required in the FCC, FERC or REA Reports.

- a) **All Electric Utilities** - Report all owned or leased personal property that is included in REA or FERC Accounts 312 through 316, 342 through 346, 353 through 373 and 391 through 399 (less land, land rights, structures and improvements). When reporting this personal property be sure to check the box entitled "Electric Plant Allocation by Situs". Include the school district where the personal property is located, the account number, the heading description per the REA or FERC Report, original cost, accumulated depreciation and the property value.
- b) **Telecommunications Utilities** - Report all owned or leased personal property that is included in FCC or REA Accounts. When reporting this property in CAB-05 Form, be sure to check the box entitled "C.O.E. and Large P.B.X." Include the school district where the personal property is located, the account number, the heading description per the FERC or REA, original cost, accumulated depreciation and the property value.

Personal property inventories that are to be used to produce, manufacture or construct other property, which is then to be sold, are not exempt from property taxation. The following items, when not held by a person as a part of his inventory for sale or resale at wholesale, retail, or on consignment are not exempt from property taxation:

- a) Construction materials held by a person engaged in the construction business.
- b) Inventories held by a manufacturer for fabrication into manufactured products, and
- c) Inventories held by persons engaged in performing services, which are consumed in the performance of the services. However, if the property is not "consumed" in the performance of the service, but is sold as a part of a service in its original form, that property is exempt.

Personal property, which is held by the taxpayer as a part of his inventory for sale or resale, at wholesale, retail or on consignment and is not depreciated for Federal Income Tax purposes, is exempt from property taxation.

7. CAB-06 Form, Construction Work in Progress

Use this form to report situs allocation of construction work in progress. Use a separate CAB-06 Form for each county where this type of property is located. The property value determined on this form is posted to **CAB-03 Form, County Property Summary**.

Report construction work in progress on January 1 of the tax year. Please report the CWIP in sufficient detail to allow the SAPB to distinguish between personal property, buildings and improvements. Do not report any land on this form. Land is to be reported on the CAB-04 Form at its original cost or appraised value with a complete legal description.

The cost to be reported is the total of the work orders for property under construction on the last day of the calendar year. The exact location of the construction is required. If the total of the work orders for the property under construction includes non-situs or intangible property, be sure to exclude non-situs or intangible items from the total and provide a detailed description of the exclusions and a reconciliation worksheet. Construction work in progress is valued at 50% of cost

8. CAB-07 Form, Agriculture Application

Pursuant to Section 7-36-20 NMSA 1978 of the Property Tax Code, all property owners who claim an agricultural use for the surface value of their mineral land must make an application for agricultural valuation to the State Assessed Property Bureau at the beginning of each year.

9. CAB-08 Form, Leased or Rented Real and Personal Property

Use this form to report all leased property (real and personal) held or used in connection with the respondent's operations. Report real estate, improvements or personal property which is leased or rented and for which the owner has agreed in writing to assume the property tax liability. Attach a copy of your lease.

H. DEFINITIONS:

1. "Construction" means leveling or clearing land, excavating earth, drilling wells of any type, including seismograph shot holes, core drilling or similar work, or building, altering, repairing or demolishing any:
 - a. Road, highway, bridge, parking area or related project;
 - b. Building, fence, stadium or other structure;
 - c. Airport, subway or similar facility;
 - d. Park, trail, athletic field, golf course or similar facility;
 - e. Dam, reservoir, canal, ditch or similar facility;
 - f. Sewerage or water treatment facility, power generating plant, pump station, natural gas compressing station or similar facility;
 - g. Sewerage, water, gas or other pipeline;
 - h. Transmission line;
 - i. Radio, television or other tower;
 - j. Water, oil or other storage tank;
 - k. Shaft, tunnel or other mining appurtenance; or
 - l. Similar work.
2. "Taxable Value" means that value of property determined by applying the tax ratio to the value of the property for property taxation purposes. The tax ratio is thirty-three and one-third percent (33-1/3%). The value of property for property taxation purposes is referred to as full value or property value in these forms. The tax ratio shall be applied to the **full value** or property value by dividing that value by three (3). The quotient resulting from that division is termed the taxable value of the property.
3. "Manufactured home" (mobile home) means a structure that exceeds either a width of eight feet or a length of forty feet when equipped for the road. (Section 66-1-4 NMSA 1978).
4. "Depreciation" means a reasonable allowance for the exhaustion, wear and tear and obsolescence of property actually used in the activities prescribed in Property Tax Statutes. "Depreciation" means straight-line over the useful life of the item of property. Line over the useful.
5. "Other justifiable factors" include, but is not limited to functional and economic obsolescence.
6. "Functional Obsolescence" is the loss in value due to functional inadequacies or deficiencies caused by factors within the property.
7. "Economic Obsolescence" is the loss in value caused by unfavorable economic influences or factors outside the property.

I. REQUESTS FOR FUNCTIONAL/ECONOMIC OBSOLESCENCE.

1. Must be made at the time the annual report is filed.
2. Must be based on a situation present at least six (6) months prior to January 1 of the tax year and expected to continue indefinitely.
3. Must be supported with sufficient documentation to demonstrate how the factor was arrived and how it applies to the property for which obsolescence is claimed.
4. Must be based on objective evidence.