

To Whom It May Concern,

Important Return changes for 2026:

We are reaching out to all employers to inform them of important updates regarding the following tax programs:

Workers' Compensation (WKC) fees:

- New return format
- New return schema for bulk filing
- ACH credit payments

Wage Withholding (WWT) Tax:

- Refund claims available on return
- New return schema for bulk filing

- Pursuant to Section 9-11-6.4 NMSA 1978, effective filing period beginning January 1, 2026; the New Mexico Taxation and Revenue Department (TRD) mandates the filing and payment by electronic means of the combined Worker's Compensation Fee Return and Employees Quarterly Wage and Withholding Report (TRD-41431) for all taxpayers subject to these filing requirements. These returns must be filed quarterly on or before the twenty-fifth (25th) day of the month following the close of each calendar quarter.
- Pursuant to Section 9-11-6.4 NMSA 1978, effective filing period beginning January 1, 2026; The Department mandates filing of tax return and payment of taxes due by electronic means to non-wage withholding and wage withholding tax.
- Electronic returns shall be filed electronically using a Department-approved electronic medium like the Department's Taxpayer Access Point (TAP).
- Accepted electronic payment methods include credit card, ACH debit and ACH Credit.
- Form and instruction will be available on the Department website by December 31, 2025:
 - TRD-41431 Worker's Compensation Fee Return and Employees Quarterly Wage and Withholding Report (WKC),
 - TRD-41414 Wage Withholding Tax Return (WWT),
 - TRD-41409 Non-Wage Withholding Tax return (NWT)
- Bulk Filer Schema to be made available mid-January 2026, date to be announced via TAP banner. *They will be released on the Taxpayer Access Point (TAP) <https://tap.state.nm.us/TAP/>. Schemas may be found under Help -> View our TAP Frequently Asked Questions (FAQ) -> Bulk*

Important Payment Changes:

An update regarding **ACH credit** payments for **Workers' Compensation (WKC) fees** submitted to the New Mexico Taxation and Revenue Department:

- Effective immediately, please ensure that you use your **Federal Employer Identification Number (FEIN)**—*not your New Mexico Business Tax Identification Number (BTIN)*—when initiating ACH credit payments with your bank for the **WKC** account. Using the correct identifier helps ensure timely and accurate processing of your tax payments.

If payments are submitted using NM BTIN, they may not be properly applied & will be suspended for invalid account, potentially resulting in delays or misapplication.

For your reference:

- When setting up ACH addenda for **WKC**, **Use FEIN** in the appropriate field
- **Do not use NM BTIN** as the primary identifier

Below is an example of how to create an ACH addendum for the WKC account using the taxpayer's FEIN. Additional information about ACH credit payments can be found in FYI-401, which can be downloaded from the New Mexico Tax & Revenue website under Forms & Publications.

Taxpayer ID (NM BTIN): 01111111009
Taxpayer FEIN: 77-7777777
Tax type: Worker's Compensation Fee (020)
Reporting Period: December 31, 2025
Total Amount owed: \$99.99

The information in this example would be formatted as follows:

TXP*77777777*020*20251231*T*9999

- Please also note that the WKC fee per employee has increased from \$4.30 to \$4.80, effective starting July 1, 2025. This reflects the updated employer portion of \$2.55 and the employee portion of \$2.25 for that period. These changes are part of the Senate Bill 535 amendments aimed at adjusting funding for the WKC program over the coming years.

Thank you for your attention to this matter and for your continued compliance.

Sincerely,

New Mexico Taxation and Revenue Department

WKC.TRDHelp@tax.nm.gov

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