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Tax season is open

Low and moderate- income New Mexicans to benefit from expanded rebate, credit

The Taxation and Revenue Department has begun accepting 2021 Personal Income Tax returns, which are due by April 18.

Two important benefits for low- and moderate-income New Mexicans have been expanded for the 2021 tax year:

- The Working Families Tax Credit is now worth 20 percent of the federal Earned Income Tax Credit and is now available to taxpayers who file using an Individual Tax Identification Number (ITIN) and to taxpayers between the ages of 18 and 25 with or without children. Eligibility for the credit depends on earned income and family size.
- The Low Income Comprehensive Income Tax Rebate is now available to taxpayers with up to \$36,000 in modified gross income. The average rebate is expected to rise from \$78 to \$195.

In both cases, taxpayers may receive a refund back from the state even if they don't have any tax liability.

Expansion of the programs, signed into law last year by Gov. Michelle Lujan Grisham, means they are now available to more than 500,000 New Mexicans.

“Taxpayers should be sure to see if they qualify for either of these programs,” said Taxation and Revenue Secretary Stephanie Schardin Clarke. “Some people with very low incomes may not be required to file, but the expanded rebate may mean they’ll benefit if they do.”

Tax preparation help for low-income New Mexicans is available through the AARP and Tax Help New Mexico, along with some senior citizen centers and social service agencies. More information is available from the AARP and at TaxHelpNM.org.

A [list of agencies](#) that provide filing assistance is available at tax.newmexico.gov.

Also new for the 2021 tax year is a top Personal Income Tax rate of 5.9%. The new rate applies to taxable income above \$210,000 for single filers and above \$315,000 for married couples filing jointly. The previous top income tax rate was 4.9%.

The new top bracket is still well below the 8.2% top rate in effect in New Mexico prior to 2003, and it is expected to affect the top 3% highest earning New Mexico taxpayers.

Taxpayers are encouraged to file electronically, either through a commercial service or directly on the Department's website through the [Taxpayer Access Point](#) (TAP). Filing electronically minimizes delays in processing and results in faster refunds.

The Department does sometimes reach out to taxpayers by mail to verify Personal Income Tax returns to combat identity theft. It will not contact taxpayers by phone unsolicited, except when conducting collection efforts. Confirming identity can take 6 to 8 weeks after the requested information is received.

Personal Income Tax forms and instructions are available at tax.newmexico.gov in the Income Taxes folder on the Forms & Publications page.

Paper forms also will be available in many libraries throughout the state and may be ordered by calling 1-866-285-2996. In Albuquerque, forms will be available in the lobby of the Taxation and Revenue Department's Copper Pointe Office at 10500 Copper Ave. NE.

The Taxation and Revenue Department serves the State of New Mexico by providing fair and efficient tax and motor vehicle services. It administers more than 35 tax programs and distributes revenue to the State and to local and tribal governments throughout New Mexico.

The Department strives to reduce taxpayer burden through clearer communication, statutes, regulations, forms, correspondence and instructions.

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