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February 12, 2026

House passes tax code cleanup bill

SANTA FE — The New Mexico House of Representatives voted to pass House Bill 291 on Thursday, sending the tax code cleanup bill to the Senate.

The bill, which passed on a 59-8 vote, clarifies various tax policies and streamlines the tax code. The legislation, sponsored by Reps. Derrick Lente and Sarah Silva, addresses loopholes in the film tax credit and clarifies the technology jobs and research and development tax credit and the tobacco products tax, ensuring these tax programs work as intended.

“The Taxation and Revenue Department is happy to see this bill continue through the legislative process,” said **Stephanie Schardin Clarke, Taxation and Revenue Secretary**. “This bill ensures New Mexico taxpayer processes are consistent, fair and logical.”

The bill also includes a provision allowing the department to waive interest when taxpayers are granted a tax deadline extension, such as in the case of a natural disaster. Currently, interest continues to accrue despite waived penalties. This change ensures taxpayers are not unnecessarily fined for seeking extensions due to uncontrollable circumstances.

Other technical changes include allowing delinquent taxpayers in compliance with Tax & Rev installment agreements – such as a business working to pay off its tax debts – to renew licenses or permits issued by other agencies and allowing the department, including its Motor Vehicle Division, to round tax amounts due to the nearest five cents in accordance with the federal elimination of the penny.

“I am proud to sponsor this year’s tax code cleanup bill,” said bill sponsor **Rep. Derrick Lente, Chairman of the House Taxation and Revenue Committee**. “We need to do everything we can to make New Mexico’s tax code clear and fair.”

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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 38 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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