



Michelle Lujan Grisham
Governor

Stephanie Schardin Clarke
Cabinet Secretary

Media Contact: Charlie Moore
Charlie.Moore@state.nm.us
(505) 827-0690

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Taxpayers advised to review paycheck withholding

The New Mexico Taxation and Revenue Department is advising taxpayers to review the withholding information they have chosen on their W-4s because of changes in federal and state tax laws.

New Mexico uses the federal W-4 for determining withholding amounts for state income tax, but the forms employees have on file with their employers may be outdated. The older federal form will be phased out and replaced with the 2020 federal form for those beginning new jobs or updating their withholding amounts.

Taxpayers who owed significant payments or who were due large refunds when filing last year's income tax return are especially advised to take the time to review the amount of federal and state taxes being withheld from their paychecks.

Others strongly advised to review their withholding amounts include individuals who have multiple jobs, a job and self-employment income, who are married to a spouse who is not working outside the home or who expect to itemize deductions on their income tax returns.

Taxpayers can adjust their state and federal withholding to try to ensure the amount withheld over a year is roughly equal to the taxes they will owe.

Employees may want to lower or increase the amount withheld from their paychecks depending on their particular circumstances. Those wishing to make changes should use the new 2020 W-4, which they can obtain from their employers. Anyone wishing to change only their New Mexico withholding amount should specify on the form that it is intended for New Mexico withholding purposes.

More detailed information for employees and employers is available in FYIs [104](#), [107](#), and [330](#) on the Department's website, tax.newmexico.gov. Click on the Forms & Publications link, open the Publications folder and then the FYIs folder.