



For Immediate Release
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Governor Bill Richardson Signs Tax Rebate and Tax Credit Bills

SANTA FE - Governor Bill Richardson today signed bills that provide tax rebates for New Mexico taxpayers and tax credits for many New Mexico families. **The Refundable Personal Income Tax Credit** and **Working Families Tax Credit Increase** were the signature bills of the Governor’s CARE package, which he proposed to lawmakers during the special session to offer relief to New Mexico families hurt by high gas prices.

“Through hard work and some tough negotiations, we came out of the session with a modest, but important package of initiatives to help New Mexicans,” Governor Bill Richardson said. “By signing these bills, we are guaranteeing tangible relief to families who are struggling to pay for gas at the pump and still afford groceries and pay the bills.”

SB 24, The Refundable Personal Income Tax Credit, is a \$56 million dollar rebate to New Mexico taxpayers. Taxpayers will automatically receive an income tax rebate based on their 2007 New Mexico personal income tax return. The first rebates will be mailed out in late October.

“Were working hard to get all of these checks in the mail before Thanksgiving so we can provide help before the holidays, and before cold weather sets in,” Taxation and Revenue Secretary Rick Homans said.

The amount of the rebates depends on family size, income and filing status.

For married taxpayers filing jointly:

Adjusted Gross Income on Your 2007 New Mexico Return		Rebate Amount For Taxpayer and Spouse	Rebate Amount Per Dependent
Over	Not Over		
	\$30,000	\$100	\$50
\$30,000	\$50,000	\$80	\$40
\$50,000	\$70,000	\$50	\$25
\$70,000		\$0	\$0

For taxpayers filing as single, head of household married filing separately or as a surviving spouse:

Adjusted Gross Income on Your 2007 New Mexico Return		Rebate Amount For Taxpayer	Rebate Amount Per Dependent
Over	Not Over		
	\$30,000	\$50	\$50
\$30,000	\$50,000	\$40	\$40
\$50,000	\$70,000	\$25	\$25
\$70,000		\$0	\$0

HB 4 will expand the Working Families Tax Credit by 25%. This will benefit the more than 200,000 New Mexico families who qualify for the tax credit. In some cases, the increase could mean nearly \$100 a year.

Governor Richardson pushed for the state Working Families Tax Credit which lawmakers passed and the Governor signed into law in 2007. It is modeled after the federal Earned Income Tax Credit and offers permanent relief for low and moderate income working New Mexicans.

Attached is fact sheet on the New Mexico Income Tax Rebates. You can also find more information on the New Mexico Taxation and Revenue website, www.tax.state.nm.us/rebate.htm.

New Mexico Income Tax Rebates Frequently Asked Questions

Qualifying New Mexico taxpayers will automatically receive an income tax rebate based on their 2007 New Mexico personal income tax return.

Do I Qualify for the Rebate?

- To qualify for the rebate a taxpayer must:
 - File a 2007 New Mexico personal income tax return;
 - Be a full-year or first year resident of New Mexico; and
 - Must not be a dependent of another taxpayer or an inmate of a public institution for more than six months during 2007.
- Rebates will not be issued to anyone who does not file a 2007 New Mexico personal income tax return or who was:
 - Not a resident of New Mexico in 2007;
 - A dependent of another taxpayer in 2007; or
 - An inmate of a public institution for more than six months during 2007.

I've Already Filed My 2007 New Mexico Return or Will File by September 15, 2008. What Do I need To Do?

- Taxpayers who have already filed their 2007 New Mexico return or who file by September 15, 2008, will automatically be mailed a rebate to their address of record (the address provided on their 2007 New Mexico return).
 - Taxpayers do not have to file an amended 2007 New Mexico return, but they do need to update their mailing address if it has changed.
 - Taxpayers can verify their address online at <https://tap.state.nm.us/> and update their address using the online system if necessary.

I Won't File My 2007 New Mexico Return Until After September 15, 2008. What Do I Need To Do?

- New Mexicans who have not filed a 2007 New Mexico return must do so to receive a rebate.
- For qualifying taxpayers who would not otherwise be required to file a 2007 New Mexico return, a special PIT-1 form highlighting the items required to be completed in order to receive the rebate will be available from TRD offices and TRD's web site.

When Will I Receive My Rebate?

- Qualifying taxpayers who have filed their 2007 New Mexico return by September 15, 2008, will receive their rebate checks by the following dates, depending on the last digit of the primary filer's social security number (SSN):
 - If the primary filer's SSN ends in 0, 1 or 2, they will receive their rebate check by October 24, 2008;
 - If the primary filer's SSN ends in 3, 4 or 5, they will receive their rebate check by November 7, 2008;
 - If the primary filer's SSN ends in 6, 7, 8 or 9, they will receive their rebate check by November 21, 2008.

- Qualifying taxpayers who file after September 15, 2008 will receive their rebates within 75 days of filing their return.

How Much Rebate Will I Receive?

- Rebate amounts depend on family size, filing status and income, as shown in the following tables.

For married taxpayers filing jointly:

Adjusted Gross Income on Your 2007 New Mexico Return		Rebate Amount For Taxpayer and Spouse	Rebate Amount Per Dependent
Over	Not Over		
	\$30,000	\$100	\$50
\$30,000	\$50,000	\$80	\$40
\$50,000	\$70,000	\$50	\$25
\$70,000		\$0	\$0

For taxpayers filing as single, head of household, married filing separately or as a surviving spouse:

Adjusted Gross Income on Your 2007 New Mexico Return		Rebate Amount For Taxpayer	Rebate Amount Per Dependent
Over	Not Over		
	\$30,000	\$50	\$50
\$30,000	\$50,000	\$40	\$40
\$50,000	\$70,000	\$25	\$25
\$70,000		\$0	\$0

- Examples:
 - A married couple with two children and income of \$45,000 would receive a rebate of \$160.
 - A single mother with one child and income of \$25,000 would receive a rebate of \$100.
 - A single person with income of \$15,000 would receive a rebate of \$50.

Will My Rebate Be Reduced for Tax or Other Debts?

- If a taxpayer has an outstanding tax liability the rebate will be applied to that liability.
- The Department is also required to transfer all or part of a rebate if the taxpayer owes money for:
 - past-due child support,
 - educational assistance loans,
 - unemployment compensation,
 - medical support,
 - public assistance or food stamp overpayments,
 - fines, fees and costs owed to district, municipal, magistrate or metropolitan courts, or
 - workers' compensation fees.
- Taxpayers who do not have an outstanding liability or owe any money to the programs previously mentioned will receive a refund of the total rebate amount.

Will My Rebate Be Subject to Federal Income Tax?

- Rebates will not be taxable directly to taxpayers.
- However, taxpayers who itemize their deductions for income tax purposes and who receive a rebate will need to follow the standard federal income tax rule that requires a refund of an itemized tax to be included in income the year the refund is received.
 - These taxpayers will generally receive their rebate in 2008, so will include the rebate in income on their 2008 return.
 - Note that they will not have to amend their 2007 return because of the rebate.

Can I Request That My Rebate be Directly Deposited Into My Bank Account?

- If you filed your 2007 New Mexico return prior to October 5, 2008, any allowable rebate amount will be mailed to your address of record.
- If you file your 2007 New Mexico return after October 5, 2008, and you request direct deposit for any refund amount your rebate will be deposited into the account requested on your return.

What if I Filed Through a Tax Preparer?

- Filing through a tax preparer will not affect your eligibility for the rebate. As long as you filed a 2007 New Mexico return any allowable rebate amount will be issued to you.

What if a Qualified Taxpayer Has Died Prior to Receiving The Rebate?

- Any allowable rebate will automatically be issued to any qualifying taxpayer.
- If a taxpayer has died prior to receiving the rebate and the name and address that appears on the 2007 return has changed, the taxpayer's spouse or the executor of the estate should contact the Department and provide any necessary information to have the rebate re-issued.

Additional information concerning the rebate will be provided on this site as it becomes available.