TAXATION & REVENUE
NEW MEXICO

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Guidance on $600 Income Tax Rebates

Certain taxpayers who qualify for the New Mexico Working Families Tax Credit will also be eligible for the extra $600 Personal Income Tax rebate recently signed into law by Gov. Michelle Lujan Grisham.

The rebates are available to taxpayers who are not dependents, who receive the Working Families Tax Credit, and who have an adjusted gross income of $31,200 or less (single filers) or $39,000 (married filing jointly, heads of household).

Taxpayers who have already filed their 2020 New Mexico Personal Income Tax returns and are eligible for the $600 rebate do not need to take further action. The $600 rebate will be mailed to them or delivered by direct deposit if they selected that option when they filed.

Those who have not yet filed their 2020 tax return and believe they are eligible for the Working Families Tax Credit and the new income tax rebate should file their 2020 Personal Income Tax returns as soon as possible. The Department urges all taxpayers to file electronically and to use direct deposit, which expedites processing and puts refunds and rebates into taxpayers' hands more quickly. If you elect to receive a paper check, please ensure that your return has the correct address to prevent any delays in receiving the payment.

Taxpayers who have already filed their 2020 Personal Income Tax returns and didn't claim the Working Families Tax Credit but who believe they may qualify will need to file an amended return. More information on filing an amended return is available at tax.newmexico.gov by opening the "Individuals" menu and selecting "Correcting a return."

"We are committed to making it as easy and quick as possible for taxpayers to receive this important tax relief," said New Mexico Taxation and Revenue Department Secretary Stephanie Schardin Clarke.

The Department expects to begin issuing the rebates in the next couple of weeks.

New Mexico's Working Families Credit is worth 17% of the federal Earned Income Tax Credit. Qualifications for the state credit are the same as for the federal credit. More information on eligibility is available at IRS.gov.

The value of the federal and state credits combined, which is based on earned income and family size, can be worth as much as $7,792. The $600 rebates authorized in SB1 would be in addition to the credit amounts for eligible taxpayers.

People may qualify for the credit, rebate and a refund even if they do not have any tax liability. About 200,000 New Mexicans claimed the Working Families credit in 2019.

Applicants and their children must have valid social security numbers, and taxpayers cannot claim the credit if their filing status is *married filing separately*. More information on income and other requirements and qualifications for the credits can be found at IRS.gov.

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.