

Application for Refund of Tax Withheld From Pass-Through Entities Instructions

Who May Use This Form

A pass-through entity (PTE) may use RPD-41373, *Application for Refund of Tax Withheld From Pass-Through Entities*, to request a refund of tax withheld from its net income according to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act. If tax was withheld from the net income received from another PTE, **or** if tax was withheld from oil and gas proceeds received, the PTE may request a refund or pass the tax withheld to its owners.

You may also use RPD-41373 to apply for a refund if you overpaid withholding tax from a PTE owner's allocable net income on RPD-41367, *Pass-Through Entity Withholding Detail (PTW-D) Report; Fiduciary Pass-Through Withholding Detail (FID-D) Report*; or PTW-EXT, *New Mexico Annual Withholding of Net Income From a Pass-Through Entity Detail Report Extension Payment Voucher*.

Direct Deposit

A direct deposit of your refund may not go to a bank account located at a financial institution outside the territorial jurisdiction of the United States (U.S.). A financial institution is located *within* the territorial jurisdiction of the U.S. if it is located within the U.S., located on a U.S. military base, or located in American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, or the U.S. Virgin Islands.

To comply with federal banking rules, anyone who wants a refund directly deposited must answer an additional question when completing the **Request For Direct Deposit** section of this application for a tax refund. The question asks whether the refund will go to, or through, an account located outside the territorial jurisdiction of the U.S.

If **Yes**, RPD-41373 states, "... you may not use this refund delivery option." Your other options are to use a different bank account or to leave the **Request for Direct Deposit** section blank, in which case the Department mails a paper check to the address on the taxpayer's records.

If you do not answer the question, the Department also mails your refund to you as a paper check. Answering the question incorrectly may delay your refund, or the National Automated Clearing House Association (NACHA) or the Office of Foreign Assets Control (OFAC) may reject or freeze your refund.

To Claim a Refund for Tax Withheld on a PTE Return

If you received a 1099-MISC, RPD-41359, *Annual Statement of Pass-Through Entity Withholding*, or RPD-41285, *Annual Statement of Withholding of Oil and Gas Proceeds*, showing income tax withheld on the PTE's net income or withholding on New Mexico oil and gas proceeds received, and you want a refund of the tax withheld, do the following:

1. Enter the refund amount on the PTE return.
2. If you want direct deposit of your refund, complete the RPD-41373 Request For Direct Deposit section. If the information is incomplete or incorrect, the Department mails the refund.
3. The PTE's owner or the PTE's authorized representative signs RPD-41373.
4. Attach the completed RPD-41373 to the PTE return and submit them to the Department at the address below.
5. Issue to the PTE forms 1099-MISC, RPD-41359, or RPD-41285.

To Claim a Refund for Overpayment on a PTW-D or FID-D PTW Detail Report, or a PTW-EXT Voucher

If you overpaid the tax to withhold from a PTE owner's allocable net income on the PTW or FID-D PTW detail report or on PTW-EXT, do the following:

1. On RPD-41373, under **Basis for Refund**, explain the reason for overpayment with a brief statement of facts. If you need more space, attach another sheet.
2. If you want direct deposit of your refund, complete the RPD-41373 **Request For Direct Deposit** section. If the information is incomplete or incorrect, the Department mails the refund.
3. The PTE's owner or the PTE's authorized representative signs RPD-41373.
4. Attach the completed RPD-41373 to the PTW or FID-D PTW detail report and submit them to the Department.

IMPORTANT: To validate the claim for refund on a PTW-D or FID-D PTW detail report, the Department may require you to file both the appropriate income tax return and the detail report. The Department compares the information provided on both forms to verify the validity of the refund claim.

Form Submission

You can submit a completed RPD-41373, *Application for Refund of Tax Withheld From Pass-Through Entities*, by mailing it to the Department using the below address:

New Mexico Taxation and Revenue Department
P.O. Box 25127
Santa Fe, NM 87504-5127