

INSTRUCTIONS FOR 2025 PIT-RC NEW MEXICO REBATE AND CREDIT SCHEDULE

GENERAL INFORMATION

You can find general information about Form PIT-RC, *New Mexico Rebate and Credit Schedule*, starting on this page.

The instructions later in this document provide additional, specific eligibility requirements for each rebate and credit. Instructions are given for lines when additional guidance is helpful or if the item is unique to New Mexico.

SECTIONS 1 TO 5

To claim any of the rebates or credits on the PIT-RC you must answer the questions in Section 1.

Basic Qualifications

To claim any refundable rebates and credits on the PIT-RC you may need to meet one or more of these qualifications:

- You must have been a resident of New Mexico during the tax year.
- You must have been physically present in New Mexico for at least six months during the tax year (except to claim the child day care credit).
- You were not eligible to be claimed as a dependent of another taxpayer for the tax year.
- You were not an inmate of a public institution for more than six months of the tax year.

For applicability, see each rebate or credit instructions on the following pages.

Allowable Household Members and Extra Exemptions, Lines 1 to 3

To claim the Section 2, Low Income Comprehensive Tax Rebate, you must calculate total allowable household members and extra exemptions. In Section 1, complete lines 1 to 3 to calculate the total so you can claim this rebate.

NOTE: New Mexico uses the same definitions and qualifications as the Internal Revenue Service (IRS) to determine if someone is your dependent. For dependent definitions and qualifications, see federal Form 1040 or 1040SR instructions.

Modified Gross Income, Line 12

Eligibility for all rebates and credits in Sections 2 through 5 depends on Modified Gross Income, line 12.

Modified gross income is different from federal adjusted gross income, federal taxable income, or New Mexico taxable income. For details, see *“What is Modified Gross Income?”* on page RC-3.

SECTION 6: REFUNDABLE TAX CREDITS

For details about Section 6, see “SECTION 6” on page RC-9, and the instructions for lines 23 through 25 later in this document.

SECTION 7: TOTAL REBATES AND CREDITS CLAIMED

All claimants must complete line 26.

PREPARING YOUR SCHEDULE PIT-RC

Follow these steps to prepare and complete Schedule PIT-RC:

1. Prepare your federal return. Even if you are not required to file a federal return, it is easier to complete the PIT-RC after you fill out a sample federal return.
2. In the PIT-1 instructions, read “What To Do Next” on page PIT-1-21.
3. Refer to the table “To claim the following rebates and credits” on page RC-2 to find the information you need to support the rebates and credits you can claim.
4. Complete PIT-RC by using the instructions starting with “SECTION 1” on page RC-2.
5. Check these entries on your PIT-RC:
 - Make sure your arithmetic is correct.
 - When required, make sure you limited your calculations to the maximum amount allowed for the rebate or credit.
 - On pages 1 and 2, make sure your name and social security number are correct, as shown on your drivers license or identification card.
 - If you are claiming one or more rebates and credits make sure Section 1 is complete and that you answered all required questions.

Modified Gross Income Limitations for 2025		Refundable Tax Credits in Section 6
If your modified gross income is:	You may qualify for:	<ul style="list-style-type: none">• Refundable medical care credit for persons age 65 or older• Special needs adopted child tax credit• Child Income Tax Credit
\$36,000 or less	Low Income Comprehensive Tax Rebate (Section 2)	
\$16,000 or less	Property Tax Rebate, if you are 65 or older (Section 3)	
\$30,160 or less	New Mexico Child Day Care Credit (Section 5)	
Los Alamos County, Santa Fe County, Doña Ana County, or Bernalillo County Residents Only		
\$24,000 or less	Low Income Property Tax Rebate (Section 4)	

- If you claim the additional low income property tax rebate for Los Alamos County, Santa Fe County, or Doña Ana County residents in Section 4, make sure you mark the box indicating the county where you reside.
6. Transfer the amount on line 26 to your PIT-1, line 24. Make sure you copy the amount correctly.
 7. Submit the PIT-RC and other required documents with your PIT-1.

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Enter the primary taxpayer's name and social security number exactly as they appear on your PIT-1 return.

If you are claiming rebates and credits complete all of Section 1 to avoid denial of the rebate or credit.

SECTION 1**Qualifications for Credits and Rebates**

If statement A, B, C, or D is true for you, mark the **TAXPAYER** box(es). If you are married filing jointly, mark the true statements in the **SPOUSE** box(es). If you are not married, leave those boxes blank. If a statement is false, leave the box blank.

Statement A. If you were a resident of New Mexico during

any part of the tax year, mark the box. If married filing jointly and if both spouses were residents of New Mexico during the tax year, mark both boxes.

Statement B. If you were physically present in New Mexico for at least six months during 2025, mark the box. If married filing jointly and if both spouses were physically present in New Mexico for at least six months during 2025, mark both boxes.

Statement C. If you were **not** a dependent, or if you do **not** qualify as a dependent of another person for federal income tax purposes, mark the box. If you are married filing jointly and if both spouses were **not** eligible to be claimed as a dependent of another taxpayer for income tax purposes in 2025, mark both boxes.

Whether or not you were actually claimed as a dependent on another person's federal return, you qualify as a dependent. If you are a dependent with a spouse who was not a dependent of another taxpayer, your spouse may still qualify to claim rebates or credits.

Statement D. If you were **not** an inmate of a public institution for more than six months in 2024 2025, mark the box. If married filing jointly and if both spouses were **not** inmates

If you received any of the following in 2025	You need
Salary or wages	All 2025 wage and tax statements
An annuity, pension, retirement pay, IRA distributions, Railroad Retirement or sick pay, or social security benefits	Federal Form(s) 1099-R, RRB-1099, and SSA-1099
Gambling or lottery winnings	Records of the amounts and, if issued to you, Form W-2G
Public assistance from Temporary Assistance to Needy Families (TANF), New Mexico Works Act or similar program, welfare benefits, or Supplemental Security Income (SSI)	Records of the amounts you received
Any other income—whether or not taxable—such as an insurance settlement, a scholarship or grant, VA benefits, income from an inheritance or trust, gifts of cash or marketable property, alimony, or child support	Records of the amounts you received
To claim the following rebates and credits	You need
Low Income Property Tax Rebate for Los Alamos County, Santa Fe County, Doña Ana County, or Bernalillo County Residents	Records of property tax billed for 2025 on your principal place of residence in Los Alamos County, Santa Fe County, Doña Ana County, or Bernalillo County.
Property Tax Rebate For Persons 65 or Older	Records of the property tax billed for 2025 or rent paid on your principal place of residence.
New Mexico Child Day Care Credit	<i>Child Day Care Credit Worksheet</i> and Form PIT-CG, <i>New Mexico Caregiver's Statement</i> , from each person who provided child day care during 2025.
Refundable Medical Care Credit for Persons 65 or Older	Receipts and records of your qualifying expenses. See instructions for line 23.
Special Needs Adopted Child Tax Credit for a qualifying adopted child during the first year of your claim	Copy of certificate issued by Children, Youth, and Families Department or the licensed child placement agency for each child you adopted that year. See instructions for line 24.

of a public institution for more than six months in 2025, mark both boxes.

If you were an inmate of a public institution for more than six months, you do not qualify for rebates or credits, and you do not qualify as a household member for purposes of rebates or credits. If you were an inmate and your spouse was not an inmate, your spouse may still qualify to claim rebates or credits.

LINES 1 TO 3

Calculate Allowable Household Members and Extra Exemptions

Use lines 1 to 3 to calculate household members and extra exemptions for Section 2 so that you can claim the low income comprehensive tax rebate.

LINE 1. Number of Exemptions

Enter the number of exemptions from PIT-1, line 5. This includes you, your spouse if filing a joint return, your qualifying dependents, and your qualifying other dependents as reported on your federal return.

LINES 2 and 3

Allowable Household Members and Extra Exemptions for Purposes of Claiming Low Income Comprehensive Tax Rebates

LINE 2a. Enter the number of household members who DO NOT qualify. If all household members qualify, leave this field blank.

Household members who do not qualify: You or your spouse must meet the general qualifications listed below, or all members of your household do not qualify. You or your spouse must:

- be a resident of New Mexico during the tax year;
- be physically present in New Mexico for at least six months during 2025;
- be neither eligible to be claimed, nor actually claimed, as a dependent of another taxpayer for 2025, and;
- not be an inmate of a public institution for more than six months during 2025.

If either you or your spouse meet the general qualifications, but not both, then the non-qualifying spouse is not eligible.

Dependents who are non-residents of New Mexico DO NOT qualify as a household member for purposes of claiming the Low Income Comprehensive Tax Rebate. Include nonresident dependents on line 2a of Schedule PIT-RC. Dependents who are residents of New Mexico, but are not physically present in New Mexico for six months, qualify as household members for purposes of claiming the Low-Income Comprehensive Tax Rebate.

Example 1. A married couple filing a joint return reports six exemptions (which includes their four children) on PIT-RC, line 1. One spouse lived out of state for seven months of the tax year, and the other spouse lived in New Mexico with

their four children. Because the out-of-state spouse was not physically present in New Mexico for at least six months, the couple makes these entries:

- Line 1 is 6.
- Line 2a is 1.

The allowable household members on line 2b is $6 - 1 = 5$.

These 5 exemptions are for the spouse who lives in New Mexico with the couple's four children. Five household members are allowed when claiming the low income comprehensive tax rebate.

If both taxpayers lived out of state for seven months, no household members qualify for the rebate as shown with these entries:

- Line 1 is 6.
- Line 2a is 6.
- Line 2b is 0.

The allowable household members on line 2b is $6 - 6 = 0$.

Example 2. The taxpayer qualifies for tax rebates, but has a dependent who is out of state temporarily to attend school. The dependent is still a resident of New Mexico. Although the dependent may be out of state for most of the year, the taxpayer may claim a rebate counting that dependent as a household member.

Example 3. If a citizen of another country is a resident of New Mexico, that person may claim the tax rebates. If the citizen's spouse, children, or other dependents are not residents of New Mexico, the citizen cannot claim a rebate based on exemptions for them.

LINE 2c. If you **or** your spouse (if filing a joint return), but not both, are blind as defined for federal income tax purposes, enter **1**.

If you **and** your spouse are blind as defined for federal income tax purposes, enter **2**.

LINES 2e and 2f. Additional special exemptions are available if **you or your spouse** (if filing a joint return) are age 65 or older on the last day of the tax year. Enter **2** on the lines that apply.

LINE 2h. Each exemption may be claimed only once. If you and your spouse are married filing separately, you must subtract the number of household members and extra exemptions your spouse claimed on the spouse's Schedule PIT-RC, line 2g.

LINE 3. Subtract line 2h from line 2g and enter the result on line 3.

LINES 4 TO 12

Calculate Modified Gross Income

Before you complete lines 4 to 12, read New Mexico's definition of modified gross income that follows.

What is Modified Gross Income?

Modified gross income (also called MGI) is unique to New Mexico law. In general, modified gross income is **all** income and other compensation you receive from **all** sources (regardless of whether that income is taxable by the U.S. Government or the State of New Mexico) for you, your spouse, and your dependents.

You may not reduce modified gross income by deductions or offset modified gross income by losses allowed for income tax purposes under the New Mexico Income Tax Act or under the Internal Revenue Code.

When calculating modified gross income, include the modified gross income of the taxpayer and all household members. Even if you are married and filing separate returns, the total modified gross income of both spouses must appear in the calculation.

Because the following items are excluded from the definition of modified gross income, you **do not** need to report any of them:

- Money lent to you that you are legally bound to repay
- Supplemental Nutrition Assistance Program (SNAP) benefits or Women, Infants, and Children (WIC) vouchers
- Payments by any party or by Medicare or any similar plan for hospital, dental, medical, or drug expenses whether or not the payment is made directly to the insured/recipient or to a third-party provider, and whether or not a premium is paid
- Money received during the year as low income or property tax rebates or as child day care credit
- Medical care payments made by Medicaid, the State Health Care Authority, the County Indigent Hospital Claims Fund, CHAMPUS, Veterans Administration (VA), or Workers' Compensation
- Rent subsidies, weatherization, energy, and housing rehabilitation benefits, such as Section 8 housing assistance
- Stipends paid to foster grandparents
- Free room and board when not considered compensation

LINE 4. Enter your wages, salaries, tips, etc. If your wages, salaries, tips, etc. were exempt or deducted from federal adjusted gross income on Schedule PIT-ADJ, you must include them on line 4 to calculate your modified gross income.

LINE 5. Enter the gross amount of social security benefits, pensions, annuities, and Railroad Retirement benefits. If Medicare or other deductions were taken out of pensions or annuities, show the full pension or annuity amount before deductions.

LINE 6. Enter your unemployment benefits from all sources and any workers' compensation benefits you received. Do not include medical benefits.

LINE 7. Enter the amount you received from public assistance, TANF or a similar program, general assistance

benefits, and SSI. Do not include medical care benefits, rent subsidies, weatherization, energy, or housing rehabilitation benefits.

LINE 8. Enter your net profit from business, farm, or rentals. This includes income from self-employment. If it is a loss, enter zero. If you have more than one business, farm, or rental property, you **may not** offset the loss of one business, farm, or rental against the profit of another business, farm, or rental or against any other source of income.

LINE 9. Enter your gross capital gains. Do not reduce them by capital losses. Include in capital gains any gain on the sale of a personal residence in 2025 that is deferred or not subject to federal income tax.

LINE 10. Enter all gifts of cash or marketable tangible items no matter who gave them to you. You must give a reasonable value to the gifts.

LINE 11. Enter all income not included on lines 4 to 10, regardless of whether it is taxable as federal or state income. This income may include, but is not limited to:

- Interest, including interest from U.S. Government obligations and interest on state and municipal bonds
- Dividends
- Gross gambling, gaming, and lottery winnings from any source without reducing winnings by any losses
- Insurance or court settlements
- Scholarships, fellowships, prizes, awards, or grants
- Other cash prizes and awards
- VA benefits
- Income from an estate or trust
- Alimony, separate maintenance, and child support payments
- Receipt of contribution withdrawals from deferred compensation plans
- Royalties from any source
- Distributions from employee stock ownership plans or other employee benefit plans, except for medical benefits
- Income from discharge of indebtedness not involving bankruptcy
- Value of a legacy, devise, bequest, or inheritance received
- Distributions from partnerships, S corporations, or similar pass-through entities
- Amounts received from endowment contracts
- The value of room and board received as compensation
- All ordinary gains from dealing in or selling property
- Cost-of-living, moving, or other allowances received as compensation.

SECTION 2

Low Income Comprehensive Tax Rebate

LINE 14. To qualify for this rebate, all of the following must be true:

- You have a modified gross income of \$36,000 or less.

- You were a resident of New Mexico during the tax year.
- You were physically present in New Mexico for at least six months in 2025.
- You are not eligible to be claimed as a dependent of another taxpayer for 2025.
- You were not an inmate of a public institution for more than six months in 2025.

To find the amount of your low income comprehensive tax rebate, follow these steps:

1. In the left column of Table 1, *2025 Low Income Comprehensive Tax Rebate Table*, find the line that includes the modified gross income you entered on line 13.
2. Read across to the column that shows the number of exemptions you calculated on line 13a. This amount is your low income comprehensive tax rebate.
3. All taxpayers, other than married couples filing separate returns, enter this rebate amount on PIT-RC, line 14. Married couples filing separate returns divide this amount by 2 and then enter the result on PIT-RC, line 14.

NOTE: Include your rebate amount on PIT-RC, line 26.

SECTION 3

Property Tax Rebate for Persons 65 or Older

This rebate is for property tax billed or rent paid during tax year 2025 on your principal place of residence in New Mexico. The property tax rebate cannot exceed \$250 or, for a married taxpayer filing a separate return, the rebate cannot exceed \$125.

IMPORTANT: No property tax rebate is available for property that is not subject to property tax.

To qualify for a rebate all of the following must be true:

- You have a modified gross income of \$16,000 or less.
- You were age 65 or older on the last day of the tax year.
- You were a resident of New Mexico during the tax year.
- You were physically present in New Mexico for at least six months in 2025.
- You are not eligible to be claimed as a dependent of another taxpayer for 2025.
- You were not an inmate of a public institution for more than six months in 2025.

What is Principal Place of Residence?

For purposes of the property tax rebate for persons 65 or older, principal place of residence is the dwelling and related structures—whether owned or rented—and only the amount of surrounding land reasonably necessary to use the dwelling as a home. The surrounding land may not exceed

five acres.

If you have more acreage than is reasonably necessary to maintain a dwelling, adjust the amount of property tax billed to reflect the principal place of residence only. You may use only this smaller amount to calculate the tax rebate.

Example. If a taxpayer's principal place of residence is located on 25 acres, include the total amount of property tax billed for the house alone plus the part of the land that is reasonably necessary to maintain the residence, but not more than 5 acres.

If only one acre is reasonably necessary to maintain the residence, divide the tax due on the land by the total number of acres for which property tax was billed.

Add the property tax billed on the home to the amount of property tax billed on the land. The total is the amount of property tax billed. Use this total amount to calculate your rebate.

LINE 15. Complete line 15 only if you own your principal place of residence and you were billed property tax. The property tax you claim on line 15 is only that part of the an-

Table 1. 2025 Low-Income Comprehensive Tax Rebate Table

Modified gross Income from PIT-RC, Line 13		Number of Exemptions from PIT-RC, Line 13a					
	But not over	1	2	3	4	5	6 or more
0	1,000	224	298	373	448	522	597
1,001	1,500	252	362	465	580	655	775
1,501	2,500	252	362	465	580	655	810
2,501	7,500	252	362	465	580	655	839
7,501	8,000	235	356	448	568	660	839
8,001	9,000	212	327	431	551	660	804
9,001	10,000	195	287	390	488	586	764
10,001	11,500	166	241	316	413	511	689
11,501	13,000	149	212	270	339	419	551
13,001	14,500	132	195	252	316	362	448
14,501	16,500	120	178	212	270	327	385
16,501	18,000	114	149	189	241	287	344
18,001	19,500	103	132	166	206	252	298
19,501	21,000	91	120	160	189	212	264
21,001	23,000	91	120	160	189	212	264
23,001	24,500	86	114	137	166	195	224
24,501	26,000	74	103	132	160	178	206
26,001	27,500	63	91	120	149	160	195
27,501	29,500	57	86	114	132	149	178
29,501	31,000	45	63	91	114	132	149
31,001	32,500	40	57	74	91	114	120
32,501	34,000	28	45	57	74	91	103
34,001	36,000	17	40	45	63	74	86

nual property tax billed for the period you lived there.

For the definition of “principal place of residence,” see “What is Principal Place of Residence?” on page RC-5.

Changes in Your Principal Place of Residence

If you paid rent for your principal place of residence for part of the year, and you were billed property tax for your principal place of residence for the other part of the year, you can claim both for the parts of the year you lived in the residence.

If you were billed property tax on your manufactured home and you also paid rent for your lot or space, you can claim both.

LINE 16. Complete line 16 only if you rented your principal place of residence in 2025.

LINE 16a. Complete line 16a **only** if you paid rent on your principal place of residence.

Enter the total amount of rent you paid during 2025, including any rent subsidy paid by a government entity to your landlord.

LINE 16b. If a government entity paid a subsidy, mark an **X** in box 16b.

LINE 16c. Multiply line 16a by 0.06, and enter the product in 16c.

LINE 17. This rebate is for the property tax billed during tax year 2025. The property tax rebate may not exceed \$250 or, for a married taxpayer filing a separate return, the rebate may not exceed \$125.

IMPORTANT: Make sure to include the amount on line 17c in the amount on PIT-RC, line 26.

LINE 17b. To find your maximum property tax liability, follow these steps:

1. On Table 2, *2025 Maximum Property Tax Liability Table*, find the Modified Gross Income range for the amount you entered on PIT-RC, line 13.
2. Read across Table 2, *2025 Maximum Property Tax Liability Table* to the **Maximum Property Tax Liability** column, and enter the amount on line **17b**.

LINE 17c. Subtract the amount on line 17b from the amount on line 17a. Enter the amount of the difference on line 17c.

If the amount is less than zero, enter **0**. If the amount is \$250 or over, enter **\$250** (the maximum allowed).

Married Couples Filing Separately

Married couples filing separate returns calculate the property tax rebate in a different way than other taxpayers.

Subtract line 17b (maximum property tax liability) from line 17a (allowable amount of property tax billed and rent paid), and then divide the difference by 2. Enter this amount on

line 17c.

If the amount is less than zero, enter **0**. If the amount is \$125 or over, enter **\$125** (the maximum allowed).

TABLE 2. 2025 Maximum Property Tax Liability Table		
Modified Gross Income from PIT-RC		Maximum Property Tax Liability
	But Not Over	
0	1,000	20
1,001	2,000	25
2,001	3,000	30
3,001	4,000	35
4,001	5,000	40
5,001	6,000	45
6,001	7,000	50
7,001	8,000	55
8,001	9,000	60
9,001	10,000	75
10,001	11,000	90
11,001	12,000	105
12,001	13,000	120
13,001	14,000	135
14,001	15,000	150
15,001	16,000	180

SECTION 4

Additional Low Income Property Tax Rebate

This low income property tax rebate is for property tax paid during tax year 2025 on your principal place of residence (defined later in this section) in Los Alamos County, Santa Fe County, Doña Ana County, or Bernalillo County. This property tax rebate may not exceed \$350 or, for a married taxpayer filing a separate return, \$175.

IMPORTANT: No property tax rebate is available for property that is not subject to property tax.

No Age Limit

You do not need to be 65 or older to be eligible for this rebate. If you are a Los Alamos County, Santa Fe County, Doña Ana County, or Bernalillo County resident who is age 65 or older on the last day of the tax year, you may be eligible for this rebate **and** the property tax rebate for persons 65 or older on line 17c.

Requirements

To qualify for the rebate, all of the following must be true:

- You have a principal place of residence in Los Alamos County, Santa Fe County, Doña Ana County, or Bernalillo County.
- You have a modified gross income of \$24,000 or less.
- You were a resident of New Mexico during the tax year.
- You were physically present in New Mexico for at least

six months in 2025.

- You were not eligible to be claimed as an other dependent of another taxpayer for 2025.
- You were not an inmate of a public institution for more than six months in 2025.

Mailing Address Not In Counties

If the mailing address on your 2025 PIT-1 return is not a Los Alamos County, Santa Fe County, Doña Ana County, or Bernalillo County address, you must attach a property tax statement to your return.

Definition of "Principal Place of Residence" For This Rebate

For the purposes of the low income property tax rebate for Los Alamos County, Santa Fe County, Doña Ana County, and Bernalillo County residents only, principal place of residence is the dwelling and related structures the taxpayer owns and occupies, and only that amount of surrounding land reasonably necessary to use the dwelling as a home. The surrounding land may not exceed five acres. For purposes of this credit, a principal place of residence does not include rented land or structures.

If you have more acreage than is reasonably necessary to maintain a dwelling, adjust the amount of property tax billed to reflect the principal place of residence only. You are required to use this smaller amount to calculate the tax rebate.

Table 3. 2025 Low Income Property Tax Rebate Table for Los Alamos County, Santa Fe County, Doña Ana County, or Bernalillo County Residents Only		
Modified Gross Income from PIT-RC, Line 13		Property Tax Rebate Percentage (of property tax liability)
	But Not Over	
0	8,000	75%
8,001	10,000	70%
10,001	12,000	65%
12,001	14,000	60%
14,001	16,000	55%
16,001	18,000	50%
18,001	20,000	45%
20,001	22,000	40%
22,001	24,000	35%

Boxes 18. Mark either the **Los Alamos County** box, the **Santa Fe County** box, the **Doña Ana County** box, or the **Bernalillo County** box to indicate the county where your principal place of residence was located and for which you are claiming the additional low income property tax rebate.

LINE 18a. For property you own that is your principal place

of residence, enter the tax billed for the calendar year.

LINE 18b. To find the percentage of your property tax rebate, follow these steps:

1. On Table 3, *2025 Low Income Property Tax Rebate Table for Los Alamos County, Santa Fe County, Doña Ana County, or Bernalillo County Residents Only*, find the Modified Gross Income range that includes the amount you entered on PIT-RC, line 13.
2. Read across to the **Property Tax Rebate Percentage** column, and enter this percentage on line 18b.

LINE 18c. Multiply the percentage on line 18b (property tax rebate percentage) by the amount on line 18a (allowable property tax billed). Enter the product on line 18c.

If the amount is less than zero, enter **0**. If the amount is \$350 or over, enter **\$350** (the maximum allowed).

Married Couples Filing Separately

Married couples filing separate returns calculate the property tax rebate in a different way than other taxpayers.

Multiply 18a by 18b, and then divide the product by 2. Enter this amount on line 18c.

If the amount is less than zero, enter **0**. If the amount is \$175 or over, enter **\$175** (the maximum allowed).

Example. The property tax billed to Los Alamos County Resident A on her principal place of residence was \$800 for calendar year 2025. On line 18a, Resident A enters \$800. Because her modified gross income for 2025 was \$19,000, Resident A enters on line 18b the property tax rebate percentage of 45%.

To calculate line 18c, Resident A multiplies \$800 by 0.45 (45%). The result is \$360, but because the maximum rebate allowable is \$350, she enters \$350 on line 18c.

IMPORTANT: Include the amount on line 18c in the amount on PIT-RC, line 26.

SECTION 5 New Mexico Child Day Care Credit

The child day care credit may not exceed \$1,200 or, for a married taxpayer filing a separate return, \$600.

Married individuals maintaining a household for one or more qualifying dependents, but filing separate returns for a tax year, may each claim only half the credit allowed on a joint return.

To qualify for the credit, all of the following must be true:

- You have a modified gross income of \$30,160 or less.
- You were a resident of New Mexico during any part of the tax year.
- You provided over half the cost of maintaining a household for one or more qualifying dependents for the part of the tax year for which you are claiming the credit

- (either separately or jointly with a spouse).
- You were gainfully employed for the part of the tax year for which you are claiming the credit.
 - You were not a recipient of public assistance under TANF, the New Mexico Works Act, or a similar program during the part of the tax year for which you are claiming the credit.
 - You have not been reimbursed or compensated for the amount of child day care expense for which you are claiming the credit.
 - You are not eligible to be claimed as a dependent of another taxpayer for 2025.

Reimbursed or compensated child day care expenses, like those paid with pre-tax dollars under cafeteria and similar benefit plans, are also ineligible.

Residency Requirement

If you qualify as a first-year, full-year, or part-year resident of New Mexico, you may claim the child day care credit. For definitions of residency, see "Definitions" on page PIT-1-4 of the PIT-1 instructions.

Public Assistance

The Department checks with appropriate state agencies to verify if you are receiving public assistance.

Caregiver Qualifications

You cannot claim a credit for amounts paid to a caregiver unless all of the following are true for the caregiver:

- If an individual, the caregiver was at least 18 years old when providing the care.
- The caregiver provided the day care service in New Mexico.
- The caregiver provided day care for less than 24 hours daily.
- You or your spouse could not claim the caregiver as a dependent for federal income tax purposes.

Married Couples Filing Separately

If spouses file a joint return, both must have been gainfully employed unless one was disabled for the part of the tax year for which you are claiming the credit. Couples who maintain a household for one or more qualifying dependents, but file separate returns for a tax year, may each claim only half the credit allowed for a joint return.

Keep Copies of Your Receipts

In case you are selected for audit or verification of the expenses you claim, make sure to keep copies of all your receipts with your records.

Definitions for Child Day Care Credit

"Qualifying dependent" means a person under the age of 15 at the end of the tax year who has received the services of a caregiver. "Dependent" includes a child of divorced or legally separated parents when the taxpayer meets all requirements for claiming a federal child care credit.

"Gainfully employed" means working for others for compen-

sation, either full-time or part-time, or being self-employed. Actively seeking employment or school attendance does not qualify as gainful employment.

"Cost of maintaining a household" means the expenses for operating the principal place of residence for the mutual benefit of its occupants. These expenses include property taxes, mortgage interest, rent, utility charges, upkeep and repairs, property insurance, and food. Cost of maintaining a household does not include cost of clothing, education, medical treatment, vacations, life insurance, transportation, or principal payments on mortgages.

"Disabled person" means a person who has a medically determinable physical or mental impairment, as certified by a licensed physician or an advanced practice registered nurse, certified nurse-midwife or physician assistant working within that person's scope of practice, that renders the person unable to engage in gainful employment.

NOTE: The Department may ask you to provide certification of your disability, but do not include it with your return.

"Caregiver" means either an individual 18 years of age or older, or a corporation that receives compensation from the credit claimant for providing direct care and supervision to a qualifying dependent in New Mexico. A caregiver may be related to, but not a dependent of, the claimant.

Example of Attending School and Working. You are a single parent who provides over 50% of the support for a dependent child. You attended school from January through May, and became gainfully employed full time on June 1. You had child care expenses for the entire year from a caregiver located in New Mexico. You were not compensated or reimbursed for child day care services during the tax year.

You can claim the credit for child care only for expenses from June through December, while you were employed. You cannot count expenses for child care from January through May, while you were attending school and not working.

Calculating and Claiming the Credit

To calculate and claim your allowable Child Day Care Credit, follow these steps:

1. From each caregiver, get a Form PIT-CG, *New Mexico Caregiver's Statement*.
2. Use the information on the PIT-CGs to complete the *Child Day Care Credit Worksheet*. Only include qualifying day care expenses performed in New Mexico.
3. Make copies of the *Child Day Care Credit Worksheet* and all PIT-CGs. Keep the originals for your records.
4. Submit copies of **both** the *Child Day Care Credit Worksheet* and all PIT-CG's with your PIT-1 return.

For more information, see *Quick Guide 10- New Mexico's Income Tax Child Day Care Credit*, at <https://www.tax.newmexico.gov/forms-publications/>. Select Quick Guides (Formerly Brochures) from the Publications folder.

LINE 19. From your *Child Day Care Credit Worksheet*, enter the sum of the amounts in Column G, but no more than \$1,200. This is your child day care credit.

LINE 20. Enter the total of your qualified dependents under age 15 who received child day care services in 2025.

LINE 21. Enter the amount of the federal child and dependent care credit you claimed on your federal Schedule 3, line 2.

First-Year Residents Only

To calculate your federal child and dependent care credit adjustment, use *For First-Year Residents Only Worksheet to Adjust the Federal Credit for Child and Dependent Care Credit*. Enter the amount from line 5 of the worksheet.

For First-Year Residents Only	
Worksheet to Adjust the Federal Credit for Child and Dependent Care Credit	
1. Enter the amount of federal child and dependent care credit allowed on the federal Schedule 3, line 2.	\$
2. Enter the number of days during the tax year that you were a resident of New Mexico.	
3. Enter the number of days during the tax year, either 365 days or 366 days for a leap year.	
4. Divide line 2 by line 3. Round to three decimal places	__ . __ __ __
5. Multiply line 4 by line 1. Enter this amount on PIT-RC, line 21.	\$

LINE 22. The maximum New Mexico day care credit amount is \$1,200, where a maximum of \$480 is allowable per child.

To find the amount of New Mexico child day care credit you can claim, subtract line 21 from line 19.

Married Couples Filing Separately

If married filing separately, subtract line 21 from line 19, and divide by 2. Enter this amount on line 22. Couples who maintain a household for one or more qualifying dependents, but file separate returns for a tax year, may each claim only half the credit allowed for a joint return.

Example For More Than One Child.

You have three children and each child received 200 days of care. You were not compensated or reimbursed for child day care services during the tax year. The fee was \$10 daily for each child.

On the *Child Day Care Credit Worksheet*, enter your first child's name and age in columns A and B. Enter the number of days of care (200) in column C. Even though the actual amount you paid was \$10, enter \$8 in column D because the maximum allowable daily amount for calculating the credit is \$8.

For column E, calculate the amount allowed for the year, as shown here:

$$200 \times \$8 = \$1,600 \text{ (amount allowed)}$$

For column G, first find 40% of \$1,600, as shown next:

$$0.40 \times \$1,600 = \$640 \text{ (40\% of \$1,600)}$$

Because \$640 is greater than \$480 (the maximum allowable amount per child), enter \$480 in column G.

Calculate the credit amounts for the second and third child in the same way. The total for the three children is \$1,440 (3 x \$480). Because this is more than \$1,200 (the maximum allowable credit amount), you enter \$1,200 on line 19.

Example For Paying Different Rates.

You paid more than one rate for child care. Your child received 100 days of care at \$7 per day and 50 more days at \$10 per day.

On the *Child Day Care Credit Worksheet*, enter the child's name and age in columns A and B. In columns C and D, enter 100 (days of care) and \$7 (amount paid per day).

For column E, calculate the amount allowed for the year, as shown here:

$$100 \times \$7 = \$700 \text{ (amount allowed)}$$

For Column G, first find 40% of 700, as shown next:

$$0.40 \times \$700 = \$280 \text{ (40\% of \$700)}$$

On the next line of the worksheet write "same child." In column C, enter 50 for days of care. In column D, enter \$8 (maximum daily amount) even though the actual amount you paid was \$10.

For column E, calculate the amount allowed for the year, as shown here:

$$50 \times \$8 = \$400 \text{ (amount allowed)}$$

For column G, first find 40% of \$400, as shown next:

$$0.40 \times \$400 = \$160 \text{ (40\% of \$400)}$$

Then add the two partial credit amounts in column G and enter \$440 (the sum) on line 19.

$$\$280 + \$160 = \$440$$

SECTION 6

Refundable Tax Credits

Complete lines 23 through 25 to claim the refundable tax credits.

LINE 23. Refundable Medical Care Credit for Persons 65 or Older

If you or your spouse are 65 years of age or older, and you paid unreimbursed and uncompensated medical care expenses of \$28,000 or more during tax year 2025, you may claim a tax credit of \$2,800. The medical care expenses can be for the care of any combination of you, your spouse, or dependents.

To qualify for the Refundable Medical Care Credit for Persons 65 or Older the following must be true:

- You are not eligible to be claimed as a dependent of another taxpayer for 2025.

If you qualify for the credit, enter \$2,800. Married couples filing separate returns may each claim one-half of the credit (\$1400) that would have been allowed on a joint return.

Additional Benefit on PIT-ADJ

If you are eligible to claim the refundable medical care credit for persons age 65 years or older, you are also eligible to claim the medical care expense exemption for persons 65 years or older reported on Schedule PIT-ADJ, line 18. To claim the tax exemption, you must complete Schedule PIT-ADJ.

Types of Medical Expenses Allowed

For purposes of this credit, please include qualified expenses used to calculate the medical care expense exemption for persons 65 years or older you reported on PIT-ADJ, line 18.

LINE 24. Special Needs Adopted Child Tax Credit

If you qualify for the special needs adopted child tax credit, enter \$1,500 for each special needs adopted child. If you are married filing separately, enter \$750 for each child. Married individuals who file separate returns may each claim one-half of the credit.

You may claim the special needs adopted child tax credit if all of the following are true:

- You file a New Mexico PIT-1 return.
- You are not a dependent of another taxpayer.
- You adopted a special needs child.
- You claimed the special needs adopted child as a dependent on your federal tax return.

Definitions

"Special needs adopted child" means an individual who may be over 18 years of age and who is certified by the New Mexico Children, Youth, and Families Department (CYFD) or a licensed child placement agency as meeting the definition of a "difficult to place child" pursuant to the Adoption Act. The classification is based on physical or mental impairment or an emotional disturbance that is at least moderately disabling.

Attach the Certificate the First Year

In the first year you claim the special needs adopted child tax credit for a qualifying adopted child, you must attach a copy of the certificate issued by CYFD or the licensed child placement agency for each qualifying adopted child.

If you claimed the credit for adoption of special needs children for a qualifying adopted child in a prior year, you do not need to attach the supporting documentation to the return. Keep it in your files.

Line 25. Child Income Tax Credit

For taxable years beginning January 1, 2023 and prior to January 1, 2032, a taxpayer who is a resident and is not a dependent of another individual may apply for, and the department may allow, a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act for each qualifying child of the taxpayer.

To qualify for the Child Income Tax Credit all of the following must be true:

- You were a resident of New Mexico during the tax year.
- You are not eligible to be claimed as a dependent of another taxpayer for 2025.

"Qualifying child" means "qualifying child" as defined by Section 152(c) of the Internal Revenue Code, as that section may be amended or renumbered, but includes any minor child or stepchild of the taxpayer who would be a qualifying child for federal income tax purposes if the public assistance contributing to the support of the child or stepchild was considered to have been contributed by the taxpayer."

To calculate the Child Income Tax Credit for PIT-RC, line 25, complete the *Line 25. Worksheet for Calculating Child Income Tax Credit*

Married Couples Filing Separately

Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the Child Income Tax Credit that would have been claimed on a joint return.

Line 25. Worksheet for Calculating Child Income Tax Credit	
1. Enter Adjusted Gross Income from PIT-1, Line 9	
2. Using <i>Table 4, 2025 Child Income Tax Credit Income Table</i> , find the row that includes the adjusted gross income entered on the line above. Read across to the column that shows the amount of credit per qualifying child and enter amount here. If the adjusted gross income is less than zero, use the amount shown in the first row of the table. If the adjusted gross income is more than \$350,000 use the amount shown in the last row of the table.	
3. Enter total number of qualifying children	
4. Multiply line 2 by line 3. This is your Child Income Tax Credit. Enter on PIT-RC, line 25	

Table 4. 2025 Child Income Tax Credit Income Table

Adjusted Gross Income from PIT-1, Line 9		Amount of credit per qualifying child is
	But Not Over	
\$0	\$25,000	\$637
25,001	50,000	424
50,001	75,000	212
75,001	100,000	106
100,001	200,000	79
200,001	350,000	53
350,001		26

SECTION 7**Total Rebates and Credits Claimed**

Follow these steps to complete PIT-RC:

1. Add the amounts, if any, on lines 14, 17c, 18c, 22, 23, 24, and 25.
2. Enter the total on line 26.
3. On PIT-1, line 24, enter the amount from PIT-RC, line 26.
4. Submit PIT-RC and any required documentation with your PIT-1 to the Department.

TAX INFORMATION AND POLICY OFFICE

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TAX INFORMATION AND POLICY OFFICE

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