



New Mexico Legal Aid, Inc.
Low Income Taxpayer Clinic
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What You Need to Know About Your 2024 Taxes

Don't leave \$\$\$ on the table

Even if you “make too little to file,” you may be eligible for a refund! You may be entitled to excess taxes withheld from your paycheck and/or two BIG child-based tax credits from the IRS. You must file your taxes to receive valuable tax credits and amounts you may have had withheld from wages or other payments. For example, New Mexicans who failed to file taxes for 2020 lost **\$9.5 million** in refunds.

The Earned Income Tax Credit and the Child Tax Credit

For 2024, the maximum Earned Income Tax Credit ranges from \$7,830 for workers with three qualifying children to \$632 for workers with no qualifying children. In addition, the maximum Child Tax Credit is \$2,000 *per qualifying child*.

Tax benefits from New Mexico

When you file your New Mexico return, consider claiming . . .

- A Working Families Tax Credit equal to 25% of the Earned Income Tax Credit
- An expanded New Mexico Child Tax Credit
- A larger Low-Income Comprehensive Tax Rebate
- A Child Day Care Credit

Get your taxes prepared for free!

Have a trained VITA or TCE volunteer prepare your taxes, either in-person or online. To find a free preparer near you, visit irs.treasury.gov/freetaxprep.

- In north-central New Mexico (including Albuquerque), the major free (VITA) tax prep provider is Tax Help New Mexico. Call **211** or visit www.TaxHelpNM.org to make an appointment, beginning January 13, 2025.
- Throughout New Mexico, a major tax prep provider for seniors *and* low income taxpayers is AARP TaxAide. Find an AARP site near you at AARP.info/TaxAideLocator, or by calling **888-227-7669**.

- Other free options include [GetYourRefund.org](https://www.getyourrefund.org) and [MyFreeTaxes.com](https://www.myfreetaxes.com) – both these websites can help connect you with IRS-certified volunteers to help you prepare your taxes online or over the phone.
- We are now one of 34 states in which residents may be eligible to use the new IRS Direct File for free income tax preparation. Visit directfile.irs.gov for more info.

**Don't assume a commercial preparer is qualified:
studies show error rates as high as 89%.**

If you can't find a free preparer, choose an **Enrolled Agent (EA)**. EAs must pass a rigorous IRS test and complete 72 hours of continuing education every three years. To find an enrolled agent near you, call the NM Society of Enrolled Agents at **505-877-1598**, or visit the directory at nmsea.net or taxexperts.naea.org.

You can also find preparers, including attorneys, CPAs, and EAs, through the IRS directory at irs.treasury.gov/rpo/rpo.jsf.

Albuquerque Tax Preparer Ordinance

If your taxes are prepared in Albuquerque, your rights under the local Tax Preparer Ordinance include:

- ✓ Seeing a fee schedule (in English or Spanish) before agreeing to tax preparation
- ✓ Seeing your preparer's qualifications (in English or Spanish)
- ✓ Receiving a copy of your tax forms as filed *without charge*
- ✓ Having your personal documents returned upon request

Learn more at cabq.gov/office-of-consumer-protection/tax-preparers-and-consumer-rights-ordinance/consumer-rights-information.

Avoid tax preparation loans

“Advances” of your refund are really loans with high interest rates—up to 36% on loans under \$10,000 and up to 100% on larger amounts. A \$5,000 “refund advance” at 36% interest (compounded daily) will cost you over \$200 in just one month.

It's not too late to claim your refunds for 2021-2023

If you haven't filed yet for 2021, 2022 or 2023, you can still claim your refund for excess withholding, EITC and CTC if you file within three years of the statutory filing deadline. That means you should file your 2021 return by April 18, 2025; your 2022 return by April 20, 2026; and your 2023 return by April 15, 2027.

VITA and TCE preparers will typically prepare prior year returns only after the 2025 filing deadline (April 15, 2025), so make arrangements to file for 2021 now and get your 2021 stimulus payment!

Are you self-employed or an independent contractor?

If you're self-employed or an independent contractor, **good record keeping** is essential to minimize taxes. Make sure you bring complete records of both income and expenses to your tax preparer. You can find detailed information on what's required in IRS Publication 334: [IRS Publication 334](#).

Forms 1099-K

You will receive a Form 1099-K if you received more than \$5,000 from transactions using e-commerce platforms like Zelle, Venmo, eBay, or PayPal. You will need to **report any income** you receive, but you also will be able to **deduct** for related expenses, like gas or the cost of goods sold. Again, **keeping good records** of all income and expenses is a must!

Remember Gross Receipts Tax (GRT)

If you're self-employed or an independent contractor in New Mexico, be sure to collect and pay **New Mexico Gross Receipts Tax (GRT)**. To determine if you need to pay GRT and file GRT returns, visit [New Mexico Gross Receipts Overview](#).

File even if you owe \$\$\$

There are separate IRS penalties for not filing and for not paying. If you owe \$\$\$ and file more than 60 days late in 2025, the minimum IRS penalty for not filing can reach \$510. New Mexico penalties are additional!

More questions?

Call the NMLA Tax Team: Nathaniel Puffer (Director), 505-814-6593;
Grace Allison, 505-768-6134; or Anne Rothrock, 505-545-8543.
For new cases, call the Legal Help Intake Line 833-545-4357.