**New Mexico Payroll Taxes**

**NM State Income Tax Withholding**

NM Taxation and Revenue Department FYI-102 Information for New Businesses: <https://klvg4oyd4j.execute-api.us-west-2.amazonaws.com/prod/PublicFiles/34821a9573ca43e7b06dfad20f5183fd/f3f4b656-b733-48ad-bcd5-301a4f682a3c/FYI-102.pdf>

**Who Must Withhold NM State Income Taxes**

An employer that pays wages or other compensation to employees for services performed within NM is required to register for a New Mexico Business Tax Identification Number (NMBTIN) and withhold for NM state income taxes. To apply electronically, visit the Department’s online filing and payment website, Taxpayer Access Point (TAP): <https://tap.state.nm.us/tap/>, and select “Apply for a New Mexico Business Tax ID” under ‘Businesses’ on the homepage. TAP may also be used to remit tax payments and e-file returns.

Filing Periods and Due Dates are based on your filing status. Your filing status can be located on your Registration Certificate received from the Department.





Every person who has withheld state tax during the year from wages is required to file an annual statement of withholding on or before the last day of January for each employee. Requirements for submitting these information returns may be found in the publication *FYI-330, Income and Withholding Information Returns and Filing Methods* available online at [www.tax.newmexico.gov/forms-publications.aspx](http://www.tax.newmexico.gov/forms-publications.aspx).

*\*Note:* The Department requires electronic submittal of income and withholding information returns for employers who have 25 or more employees. The withholding statements are due at the end of January. Electronic submissions can be submitted through the Combined

Federal/State Filing Program or by using TAP at <https://tap.state.nm.us>.

NM withholding taxpayers may file Form RPD-41072, *Annual Summary of Withholding Tax.* The report is available for taxpayer’s use but is not required to be filed. This report allows for the taxpayer to reconcile the total amounts shown as withheld on annual withholding statements furnished to withholdees (Federal Forms W-2, W-2G or 1099-R) with the total tax withheld and paid to New Mexico on the TRD-41414, *Wage Withholding Tax Return*.

**NM W-4 Requirements**

New Mexico does not have a state equivalent of the Federal Form W-4. Instead, employees should complete a copy of the Federal Form W-4 for New Mexico withholding tax purposes, writing "For New Mexico State Withholding Only" across the top in prominent letters. Employers should keep the New Mexico W-4 in the employee's personnel file. This duplicate W-4 is not mandatory. It is a convenience for employer and employee.

**NM State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed.

New employers must register for an unemployment tax account at the New Mexico Department of Workforce Solutions UI Employer Registration portal <https://ui.dws.state.nm.us/Employer/Revenue/Registration/EmployerRegistration/RegisterEmployer.ASPX>. Select “Employer Registration''.

Units of government and non-profit organizations may elect to make payments in lieu of contributions via the reimbursable method. Reimbursable employers do not pay a quarterly tax. However, because they do pay into the Unemployment Trust Fund, each reimbursable employer is required to reimburse the Fund for all unemployment benefits paid to a former employee which are based upon wages earned in the employment of the reimbursable employer. Once liability is determined, a reimbursable employer shall not be relieved of charges for benefits paid to an individual who was separated from that employer for any reason.

All UI covered employers must submit quarterly reports to the Department. An employer’s quarterly report must be filed on or before the last day of the month immediately following the end of the calendar quarter. All employers must file their quarterly reports electronically (<https://ui.dws.state.nm.us/Employer/Core/Login.aspx>), using one of the acceptable formats prescribed by the Department. Each quarterly report must include only wages paid during the quarter being reported. Unless the employer's liability has been terminated or suspended, the employer must file a quarterly report even though no wages were paid or no tax is due for the quarter.

NM has adopted the Interstate Reciprocal Coverage Arrangement for unemployment insurance. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>.

**NM State Workers’ Compensation**

Employers with three or more workers are required to carry workers' compensation coverage. This is also true for employers who have just one employee in New Mexico and two or more employees in another state. The total of three employees in the company triggers the workers' compensation insurance requirement, no matter the location.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard kimberly.haggard@des.wa.gov at DES Risk Management.

**NM State Paid Family / Medical Leave**

New Mexico does not have a paid family and medical leave program as of 11/30/2023.

**Helpful resources for New Mexico**

NM Taxation and Revenue Department Forms & Publications page: <https://www.tax.newmexico.gov/forms-publications/>

NM Wage Withholding Tax information: <https://www.tax.newmexico.gov/businesses/wage-withholding-tax/>

Telephone assistance with registration for a NM employer withholding account:

866-285-2996

NM Unemployment Insurance Employer Handbook: <https://www.dws.state.nm.us/Portals/0/NM_UI_Employer_Handbook.pdf?ver=2019-08-02-170353-330>

NM Unemployment Insurance Tax & Claims System: <https://ui.dws.state.nm.us/Employer/Core/Login.aspx>

NM Unemployment Insurance Operations Centers Customer Service: 877-664-6984

NM Unemployment Insurance tax-related questions: uitax.support@state.nm.us

NM Workers’ Compensation Administration information for Employers: <https://workerscomp.nm.gov/Information-For-Employers>