



New Mexico Legal Aid, Inc.
Low Income Taxpayer Clinic
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WHY SHOULD I FILE TAXES in 2024?

(Answer: To Get Your Money!) (New Mexico Version)

Updated March 20, 2024

1. Income tax credits

- a. Earned income credit (EIC)(and related NM Working Families Tax Credit): The EIC can be worth up to **\$7,430** for a family with three children.
- b. Child tax credit: For tax year 2023, worth up to \$1,600 refundable per child. There is a separate (and newly expanded) NM Child tax credit of up to \$600 per child.
- c. NM Child Day Care Credit: For 2023, worth up to \$480/child, or \$1,200 total.
- d. COVID Stimulus Payments (Recovery Rebate Credits): If you have not already received these, you must file 2020 and/or 2021 federal tax returns (Form 1040) to claim them. To make a refund claim for 2020, the filing deadline is **May 17, 2024**.
- e. Other credits include: American Opportunity Tax Credit, Lifetime Learning Credit.

2. NM Low-Income Comprehensive Tax Rebate (“LICTR”).

This rebate is worth up to **\$790 for tax year 2023, and up to \$730** for tax years 2021 and 2022. This rebate is a refundable credit for most NM residents with modified gross incomes of up to \$36,000. For a single person with a very low income, this rebate can be worth up to **\$438** for tax year 2023 (\$238 if under age 65).

3. Other New Mexico Rebates

New Mexico residents who are not claimed as dependents on another taxpayer’s return can file **2021** tax returns (Form PIT-1) through **May 31, 2024**, to receive rebates. The rebates may total up to \$750 for single filers and married individuals filing separately, and up to \$1500 for those with dependents or who are married and file jointly.

4. Other Reasons to file

- a. Claim refund of your “excess withholdings.”
- b. You can use your filed income tax return to prove your income to social services agencies, schools, and colleges.
- c. By filing, you create a record of earnings for future social security benefits.
- d. If you owe tax, but cannot pay, file anyway. There are separate IRS penalties for failure to file and failure to pay.

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HOW DO I FILE TAXES in 2024?

5. Get Free or Low-Cost Tax Preparation Help from:

- a. Tax Help New Mexico's Tax Help Resource Hotline at **505-750-3885**, or www.TaxHelpNM.org. (Act promptly, as appointments fill up)
- b. AARP Tax-Aide at **888-687-2277** or AARP.info/TaxAideLocator.
- c. Find other locations: www.irs.gov/individuals/find-a-location-for-free-tax-prep
- d. Visit GetYourRefund.org - For eligible low-income taxpayers;, use this to get connected to IRS volunteers around the country to have your tax returns (2019-2022) prepared online or over the phone.
- e. Visit MyFreeTaxes.com - For eligible low-income taxpayers; use this service to get connected with personal assistance from IRS certified volunteers if/when you need help.
- f. IRS.gov Free File: The IRS also provides free tax filing options, by starting here: www.irs.gov/filing/free-file-do-your-federal-taxes-for-free (available starting January 12, 2024, for those with AGI of \$79,000 or less)
- g. Lutheran Family Services (for refugees, interpretation available) 505-933-7032
- h. If your taxes are too complex for free assistance, or you are unable to find a free tax preparer, consider hiring an Enrolled Agent: call NM Society of Enrolled Agents (NMSEA) at 505-877-1598, or <https://nmsea.net>, or <https://taxexperts.naea.org>.

6. Watch out for:

- a. Avoid “refund advances” or “refund anticipation loans” if possible. These are typically high-interest loans where you borrow against your tax refund.
- b. Avoid unqualified tax return preparers! Instead, use one of the free resources listed above.

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