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New Mexico to join IRS Direct File program for federal taxes System will also make it easier to file state income taxes for free

SANTA FE — New Mexico has agreed to join the Internal Revenue Service's (IRS) Direct File program, which will allow many taxpayers to file their federal taxes for free directly with the IRS online.

New Mexico Taxation and Revenue Department will work with the IRS in the coming months to implement the new program in time for 2024 tax returns due in April 2025.

"This collaboration with the IRS will simplify the tax filing process for New Mexicans. The Direct File program empowers taxpayers with a free, reliable, and efficient way to manage their federal and state tax filings," said **Gov. Michelle Lujan Grisham**.

"We're excited to start working with the IRS to make sure taxpayers have this great new tool available to them when they're ready to file next year," said Taxation and Revenue **Secretary Stephanie Schardin Clarke**.

Following a successful Pilot Program in 12 states that saw 140,000 taxpayers claim more than \$90 million in refunds and save an estimated \$5.6 million in filing costs using the new free online filing tool, the U.S. Treasury Department and the IRS announced the expansion of Direct File as a permanent offering. New Mexico becomes the fourth new state to offer Direct File after Oregon, New Jersey and Pennsylvania announced their participation this summer. An expected 200,000 New Mexicans will be eligible to use the free online filing tool next filing season.

New Mexico taxpayers already can file their state Personal Income Tax (PIT) returns for free online by using Taxation and Revenue's <u>Taxpayer Access Point</u> (TAP), but Direct File will make that even easier. Currently, taxpayers using TAP to file must enter information from their federal returns manually. Once Direct File is implemented, they'll be able to import information from their federal forms into their TAP return.

Taxpayers will still have all the existing options for filing electronically with commercial services or by paper, but Taxation and Revenue encourages taxpayers to file

electronically if at all possible. Electronic returns are processed much quicker than paper returns, typically taking less than five days to process as compared to a month or more for paper returns. They are also far less prone to errors.

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The Taxation and Revenue Department serves the State of New Mexico by providing fair and efficient tax and motor vehicle services. It administers more than 35 tax programs and distributes revenue to the State and to local and tribal governments throughout New Mexico.

The Department strives to reduce taxpayer burden through clearer communication, statutes, regulations, forms, correspondence and instructions.

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