



New Mexico Legal Aid, Inc.

www.newmexicolegalaid.org

505 Marquette Ave NW, Ste 700, Albuquerque, NM 87102
P.O. Box 25486, Albuquerque, NM 87125-5486

From New Mexico Legal Aid's Low Income Tax Clinic staff:

WHAT YOU ABSOLUTELY, POSITIVELY NEED TO KNOW ABOUT THIS TAX SEASON

MYTH # 1

"I don't need to file because my only 2020 income is unemployment."

Reality: Unemployment compensation is taxable. If your income (including unemployment) is above the following levels, you need to file.*

Single and under 65	\$12,400
Single and 65 or older.	\$14,050
Married filing jointly and both spouses under 65.	\$24,800
Married filing jointly and one spouse is 65 or older.	\$26,100
Married filing jointly and both spouses are 65 or older	\$27,400
Married filing separately	\$ 5
Head of Household, and under 65	\$18,650
Head of Household and 65 or older	\$20,300

*Generally, do not include social security benefits unless 1/2 of your social security benefits + your other gross income is more than \$25,000.

MYTH # 2

"I can't pay, so I shouldn't file."

Reality: There are separate penalties for failing to file and failing to pay. If your return was over 60 days late, the minimum failure-to-file penalty is the smaller of \$435 or 100% of the tax required to be shown on the return. Bottom line: file even if you cannot pay.

Myth #3

“I won’t get an earned income tax credit because I have no earned income in 2020

Reality: New Covid-19 relief provisions let you use your 2019 earned income to compute the 2020 earned income credit and additional child tax credit. For this tax season, the following are available to those who worked in **2019**:

- earned income credit (EIC) of up to **\$6,660**;
- additional child tax credit (CTC) of up to **\$1,400** per child; and
- New Mexico working families tax credit equal to **17%** of your EIC.

There is also a New Mexico low income comprehensive tax rebate and/or a property tax rebate (for those 65 and older).

MYTH # 4

“I did not receive my stimulus checks and now it’s too late.”

Reality: You can claim a recovery rebate credit equal to the amount of your missing 2020 stimulus payments on your 2020 return.

MYTH #5

“There is nowhere to get help preparing my tax forms.”

Reality: It will definitely be harder to get free help this year, so start early.

- For information about Tax Help New Mexico alternatives, go to www.nmtaxhelp.org. Services are available by appointment only. Registration began on January 11---- so don’t wait.
- For information about AARP TaxAide locations, call 888-687-2277 after January 21. AARP is still deciding what to do.
- For free on-line tax preparation, go to www.irs.gov/freefile.
- San Juan College is sponsoring the Four Corners Tax Help program. Appointments are virtual - call 505-566-3314 to leave a message requesting help or visit www.sanjuancollege.edu/taxhelp/