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AN ACT

RELATING TO TAXATION; AUTHORIZING THE REVEAL OF TAXPAYER  
RETURN INFORMATION TO STAFF OF THE LEGISLATIVE FINANCE  
COMMITTEE TO EVALUATE PROGRAMS THAT HAVE A FISCAL IMPACT TO  
THE STATE OR A POLITICAL SUBDIVISION OF THE STATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 7-1-4.2 NMSA 1978 (being Laws 2003,  
Chapter 398, Section 2, as amended) is amended to read:

"7-1-4.2. NEW MEXICO TAXPAYER BILL OF RIGHTS.--The  
rights afforded New Mexico taxpayers during the assessment,  
collection and enforcement of any tax administered by the  
department as set forth in the Tax Administration Act  
include:

A. the right to available public information and  
prompt and courteous tax assistance;

B. the right to be represented or advised by  
counsel or other qualified representatives at any time in  
administrative interactions with the department in accordance  
with the provisions of Section 7-1-24 NMSA 1978 or the  
administrative hearings office in accordance with the  
provisions of the Administrative Hearings Office Act;

C. the right to have audits, inspections of  
records and meetings conducted at a reasonable time and place  
in accordance with the provisions of Section 7-1-11 NMSA

1 1978;

2 D. the right to have the department conduct its  
3 audits in a timely and expeditious manner and be entitled to  
4 the tolling of interest as provided in the Tax Administration  
5 Act;

6 E. the right to obtain nontechnical information  
7 that explains the procedures, remedies and rights available  
8 during audit, protest, appeals and collection proceedings  
9 pursuant to the Tax Administration Act;

10 F. the right to be provided with an explanation of  
11 the results of and the basis for audits, assessments or  
12 denials of refunds that identify any amount of tax, interest  
13 or penalty due;

14 G. the right to seek review, through formal or  
15 informal proceedings, of any findings or adverse decisions  
16 relating to determinations during audit or protest procedures  
17 in accordance with the provisions of Section 7-1-24 NMSA 1978  
18 and the Administrative Hearings Office Act;

19 H. the right to have the taxpayer's tax  
20 information kept confidential unless otherwise authorized by  
21 the Tax Administration Act;

22 I. the right to abatement of an assessment of  
23 taxes determined to have been incorrectly, erroneously or  
24 illegally made, as provided in Section 7-1-28 NMSA 1978, and  
25 the right to seek a compromise of an asserted tax liability

1 by obtaining a written determination of liability or  
2 nonliability when the secretary in good faith is in doubt of  
3 the liability as provided in Section 7-1-20 NMSA 1978;

4 J. upon receipt of a tax assessment, the right to  
5 be informed clearly that if the assessment is not paid,  
6 secured, protested or otherwise provided for in accordance  
7 with the provisions of Section 7-1-16 NMSA 1978, the taxpayer  
8 will be a delinquent taxpayer and, upon notice of  
9 delinquency, the right to timely notice of any collection  
10 actions that will require sale or seizure of the taxpayer's  
11 property in accordance with the provisions of the Tax  
12 Administration Act; and

13 K. the right to procedures for payment of tax  
14 obligations by installment payment agreements, in accordance  
15 with Section 7-1-21 NMSA 1978."

16 SECTION 2. Section 7-1-8 NMSA 1978 (being Laws 1965,  
17 Chapter 248, Section 13, as amended) is amended to read:

18 "7-1-8. CONFIDENTIALITY OF RETURNS AND OTHER  
19 INFORMATION.--

20 A. It is unlawful for any person other than the  
21 taxpayer to reveal to any other person the taxpayer's return  
22 or return information, except as provided in Sections 7-1-8.1  
23 through 7-1-8.12 NMSA 1978.

24 B. A return or return information revealed  
25 pursuant to Sections 7-1-8.1 through 7-1-8.12 NMSA 1978:

1                   (1) may only be revealed to a person  
2 specifically authorized to receive the return or return  
3 information and the employees, directors, officers and agents  
4 of such person whose official duties or duties in the course  
5 of their employment require the return or return information  
6 and to an employee of the department;

7                   (2) may only be revealed for the authorized  
8 purpose and only to the extent necessary to perform that  
9 authorized purpose;

10                  (3) shall at all times be protected from  
11 being revealed to an unauthorized person by physical,  
12 electronic or any other safeguards specified by directive by  
13 the secretary; and

14                  (4) shall be returned to the secretary or  
15 the secretary's delegate or destroyed as soon as it is no  
16 longer required for the authorized purpose.

17                  C. If any provision of Sections 7-1-8.1 through  
18 7-1-8.12 NMSA 1978 requires that a return or return  
19 information will only be revealed pursuant to a written  
20 agreement between a person and the department, the written  
21 agreement shall:

22                   (1) list the name and position of any  
23 official or employee of the person to whom a return or return  
24 information is authorized to be revealed under the provision;

25                   (2) describe the specific purpose for which

1 the return or return information is to be used;

2 (3) describe the procedures and safeguards  
3 the person has in place to ensure that the requirements of  
4 Subsection B of this section are met; and

5 (4) provide for reimbursement to the  
6 department for all costs incurred by the department in  
7 supplying the returns or return information to, and  
8 administering the agreement with, the person.

9 D. A return or return information that is lawfully  
10 made public by an employee of the department or any other  
11 person, or that is made public by the taxpayer, is not  
12 subject to the provisions of this section once it is made  
13 public."

14 SECTION 3. A new Section 7-1-8.12 NMSA 1978 is enacted  
15 to read:

16 "7-1-8.12. INFORMATION THAT MAY BE REVEALED TO STAFF OF  
17 THE LEGISLATIVE FINANCE COMMITTEE.--

18 A. An employee of the department may reveal to  
19 staff of the legislative finance committee return information  
20 for purposes provided in this section.

21 B. Upon request by the director of the legislative  
22 finance committee, including by electronic means, the  
23 department shall provide return information, except that  
24 which is prohibited by law, to the staff of the legislative  
25 finance committee. In cases where access is prohibited by

1 federal law, and upon an additional request by the director,  
2 the department shall provide the requested return  
3 information, redacting any prohibited information. In regard  
4 to return information filed pursuant to the Income Tax Act,  
5 Corporate Income and Franchise Tax Act, Withholding Tax Act,  
6 Oil and Gas Proceeds and Pass-Through Entity Withholding Tax  
7 Act and Uniform Division of Income for Tax Purposes Act, the  
8 department shall only provide aggregated data of at least  
9 three taxpayers, or more if necessary to maintain federal  
10 standards for confidential return information, as determined  
11 by the department, and shall not include personally  
12 identifiable information.

13 C. Prior to the initial reveal of return  
14 information to the staff of the legislative finance  
15 committee, the department and the director of the legislative  
16 finance committee shall enter into a memorandum of  
17 understanding for security protocols regarding the  
18 confidentiality of the return information. The memorandum of  
19 understanding shall be in effect for any subsequent requests  
20 to reveal return information. The department may require  
21 that the staff of the legislative finance committee  
22 satisfactorily complete appropriate training on protecting  
23 confidential information prior to receiving return  
24 information pursuant to this section.

25 D. If the information requested pursuant to

1 Subsection B of this section is available in an electronic  
2 format, the information shall be provided in an editable  
3 electronic format available for viewing and editing in  
4 software available to the staff of the legislative finance  
5 committee.

6 E. The department shall provide visible and  
7 clearly marked notification of confidential return  
8 information provided pursuant to this section, redacting any  
9 prohibited information pursuant to Subsection B of this  
10 section. The staff of the legislative finance committee  
11 shall not reveal such return information unless the  
12 information is aggregated to at least three businesses.

13 F. The staff of the legislative finance committee  
14 receiving return information pursuant to this section is  
15 prohibited from requesting or using the information for any  
16 purpose other than to evaluate programs that have a fiscal  
17 impact to the state or a political subdivision of the state.

18 G. Confidential return information received  
19 pursuant to this section shall be destroyed as soon as it is  
20 no longer required for the purposes authorized by this  
21 section."

22 SECTION 4. Section 7-1-76 NMSA 1978 (being Laws 1965,  
23 Chapter 248, Section 76, as amended) is amended to read:

24 "7-1-76. REVEALING INFORMATION CONCERNING TAXPAYERS.--A  
25 person who reveals to another person any return or return

1 information that is prohibited from being revealed pursuant  
2 to Section 7-1-8 NMSA 1978 or who uses a return or return  
3 information for any purpose except as authorized by the Tax  
4 Administration Act is guilty of a misdemeanor and shall, upon  
5 conviction thereof, be fined not more than one thousand  
6 dollars (\$1,000) or imprisoned up to one year, or both,  
7 together with costs of prosecution, and shall not be employed  
8 by the state for a period of five years after the date of the  
9 conviction."

10 SECTION 5. EFFECTIVE DATE.--The effective date of the  
11 provisions of this act is July 1, 2025. \_\_\_\_\_

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