

STATE OF NEW MEXICO - TAXATION AND REVENUE DEPARTMENT

INFORMATION RETURN
INDIAN INTERGOVERNMENTAL TAX CREDIT
(FORM RPD - 41160)

Name of Individual, Firm or Organization		OGRID Number
Contact Person		Telephone Number
Mailing Address		
City	State	Zip Code
Please check one: <input type="checkbox"/> Well Operator <input type="checkbox"/> Working Interest Owner <input type="checkbox"/> Purchaser		

PUN	
WELL OPERATOR NAME	
PROPERTY NAME	
POOL NAME	
API NUMBER	30 - -
WELL NUMBER AND UNIT LETTER	
SECTION, TOWNSHIP AND RANGE	
DATE DRILLING COMMENCED	
DATE OF FIRST PRODUCTION	
INDIAN TRIBE	
LEASE NUMBER	

Mail or deliver the completed form to:

New Mexico Taxation and Revenue Department
 Oil and Gas Bureau
 1200 South St. Francis Drive
 P. O. Box 5374
 Santa Fe, NM 87502-5374
 Telephone: (505) 827-0805

INDIAN INTERGOVERNMENTAL TAX CREDIT

(Production Taxes)
Effective July 1, 1995

The intergovernmental production tax credit permits oil and gas companies to claim a credit against state taxes on oil or natural gas produced from a well on Indian tribal land, the actual drilling of which commenced on or after July 1, 1995. Indian tribal land is defined as all land that on March 1, 1995, was within the exterior boundaries of an Indian reservation or pueblo grant or held in trust by the United States for an Indian nation, tribe or pueblo. The credit, which must be determined separately for each calendar month, is equal to seventy-five percent (75%) of the lesser of: a) the aggregate amount of severance, privilege, ad valorem or similar tax in effect on March 1, 1995, that is imposed by the Indian nation, tribe or pueblo upon the products severed from qualifying wells; or b) the aggregate amount of the four oil and gas production taxes imposed on products from qualifying wells.

- 1. Who may take the credit:** A taxpayer may claim a credit against taxes on production from a "qualifying well." This includes operators, working interest owners and purchasers. Only the company that is paying the taxes may take the credit, and the credit must be applied against the month when the products were severed and sold.
- 2. Who must file the information return:** Any company that is taking the credit. If a company that has not filed the information return uses the intergovernmental tax and credit transaction codes, they will be contacted by the Department for the necessary proof of entitlement to the credit.
- 3. How and where to file the information return:** Complete this form and send it to the Taxation and Revenue Department, P. O. Box 5374, Santa Fe, NM 87502-5374.
- 4. When to file the information return:** This form should be submitted after a production unit number has been assigned by the Department and prior to reporting production taxes for the qualifying well.
- 5. How to report the credit:** Production which qualifies for the credit must be reported using transaction code 71. The credit tax amount must be reported using transaction code 72. Please refer to the OGT2 instructions for specific information or the example provided in the Filer's Kit.
- 6. Claim for refund:** If the credit was not taken when reporting production taxes for an eligible well, the taxpayer may file a claim for refund by submitting amended returns in accordance with Section 7-1-26 NMSA 1978.
- 7. Burden of proof:** It is the taxpayer's burden to establish that he is entitled to the credit and to furnish proof of payment of any tribal tax on which the credit is based. The Department will perform audit and compliance reviews on a regular basis to ensure that the credit is reported correctly.

INDIAN INTERGOVERNMENTAL TAX CREDIT

(Ad Valorem Equipment Tax)
Effective July 1, 1995

The intergovernmental production equipment tax credit permits oil and gas companies to claim a credit against state taxes on the equipment for a well located on Indian tribal land, the actual drilling of which commenced on or after July 1, 1995. Indian tribal land is defined as all land that on March 1, 1995, was within the exterior boundaries of an Indian reservation or pueblo grant or held in trust by the United States for an Indian nation, tribe or pueblo. The credit, which must be determined annually for the equipment located at qualifying wells, is equal to seventy-five percent (75%) of the lesser of: a) the amount of ad valorem or similar tax in effect on March 1, 1995, that is imposed by the Indian nation, tribe or pueblo upon the equipment for the calendar year; or b) the amount of the oil and gas production equipment ad valorem tax imposed by the state upon the equipment for the calendar year.

The annual Ad Valorem Equipment Tax, to be assessed each October 15, will be based on values on which taxes were remitted for the prior calendar year. Therefore, equipment tax will not be assessed on production from the wells that are entitled to receive the credit (drilling commenced on or after July 1, 1995) until the following year. For instructions on how to apply this credit, contact the Compliance Section at (505) 827-0806.