

TITLE 3: TAXATION
CHAPTER 5: UNIFORM DIVISION OF INCOME FOR TAX PURPOSES
PART 13: DETERMINATION OF AVERAGE VALUE OF PROPERTY FOR INCLUSION IN PROPERTY FACTOR

3.5.13.1 ISSUING AGENCY: Taxation and Revenue Department, Joseph M. Montoya Building, 1100 South St. Francis Drive, P.O. Box 630, Santa Fe NM 87504-0630
[1/15/97; 3.5.13.1 NMAC - Rn, 3 NMAC 5.13.1, 6/29/01]

3.5.13.2 SCOPE: This part applies to every taxpayer having income which is taxable for income tax purposes both within and without New Mexico.
[1/15/97; 3.5.13.2 NMAC - Rn, 3 NMAC 5.13.2, 6/29/01]

3.5.13.3 STATUTORY AUTHORITY: Section 9-11-6.2 NMSA 1978.
[1/15/97; 3.5.13.3 NMAC - Rn, 3 NMAC 5.13.3, 6/29/01]

3.5.13.4 DURATION: Permanent.
[1/15/97; 3.5.13.4 NMAC - Rn, 3 NMAC 5.13.4, 6/29/01]

3.5.13.5 EFFECTIVE DATE: 1/15/97, unless a later date is cited at the end of a section, in which case the later date is the effective date.
[1/15/97; 3.5.13.5 NMAC - Rn & A, 3 NMAC 5.13.5, 6/29/01]

3.5.13.6 OBJECTIVE: The objective of this part is to interpret, exemplify, implement and enforce the provisions of the Uniform Division of Income for Tax Purposes Act.
[1/15/97; 3.5.13.6 NMAC - Rn, 3 NMAC 5.13.6, 6/29/01]

3.5.13.7 DEFINITIONS: [Reserved.]
[1/15/97; 3.5.13.7 NMAC - Rn, 3 NMAC 5.13.7, 6/29/01]

3.5.13.8 PROPERTY FACTOR - AVERAGING PROPERTY VALUES:

A. As a general rule, the average value of property owned by the taxpayer shall be determined by averaging the values at the beginning and ending of the tax period. However, the department may require or allow averaging by monthly values if such method of averaging is required to properly reflect the average value of the taxpayer's property for the tax period.

B. Averaging by monthly values will generally be applied if substantial fluctuations in the value of the property exist during the tax period or where property is acquired after the beginning of the tax period or disposed of before the end of the tax period.

C. Averaging with respect to rented property is achieved automatically by the method of determining the net annual rental rate of such property as set forth in Section 3.5.12.9 NMAC.

[1/15/74, 9/15/88, 9/20/93, 1/15/97; 3.5.13.8 NMAC - Rn & A, 3 NMAC 5.13.8, 6/29/01]

HISTORY OF 3.5.13 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center: BOR 71-1, (Income Tax Regulation 10-1) Attachment of Federal Schedule C to New Mexico Income Tax Return, filed 1/5/71.

BOR 72-1, Regulation for Income Tax Act Section 72-15A-10 NMSA 1953, filed 1/12/72.

BOR 72-2, (Income Tax Reg. 10-2) Filing of New Mexico Partnership Returns, filed 1/18/72.

R.D.I.T. Regulation 12:2, Regulation Pertaining to Requirement for the Acceptance of Computer Generated Form PIT-1 and Related Schedules Income Tax Act, Section 7-2-12 NMSA 1978, filed 4/2/84.

I.T. Regulation 12:4, Regulation Pertaining to Requirement for the Acceptance of Computer Generated Form PIT-1 and Related Schedules Income Tax Act, Section 7-2-12 NMSA 1978, filed 9/4/87.

R.D.-I.T. Regulation 12:3, Regulation Pertaining to Requirement for the Preparation of Acceptable Reproductions

of New Mexico Income Tax Forms Income Tax Act Section 7-2-12 NMSA 1978, filed 4/18/84.
BOR 74-1, Regulations in Effect and Pertaining to the New Mexico Income Tax Act and the New Mexico Uniform Division of Income for Tax Purposes Act, filed 1/15/74.
TRD Rule 4-88, Regulations Pertaining to the Uniform Division of Income for Tax Purposes Act Sections 7-4-1 to 7-4-21 NMSA 1978, filed 9/16/88.
TRD Rule UDI-93, Regulations Pertaining to the Uniform Division of Income for Tax Purposes Act, Sections 7-4-1 through 7-4-21 NMSA 1978, filed 9/20/93.

History of Repealed Material: [RESERVED]

NMAC History:

3 NMAC 5.13, Determination of Average Value of Property for Inclusion in Property Factor, filed 12/31/96.
3.5.13 NMAC, Determination of Average Value of Property for Inclusion in Property Factor, filed 6/18/2001.