

**3**

**TAXPAYER BENEFITS & EXEMPTIONS  
DO YOU QUALIFY FOR A TAX PAYER BENEFIT?**

**HEAD OF FAMILY EXEMPTIONS**

The head of Family Exemption is a \$2000 reduction of the taxable value of your Residential Property. The property must be owned by the head of household family member; is a New Mexico Resident or if the property is held in a grantor trust established under Sections 671 through 677 of the Internal Revenue Code. Only one person in a household may qualify as Head of Family, and it may only be applied in one county in any tax year even though the claimant may own other property in more than 1 county. By claiming this exemption our savings in taxes will depend on which tax district your property lies.

**VETERAN'S EXEMPTION**

The Veteran's Exemption is a \$4,000 reduction in the taxable value of your real estate. Any honorably discharged veteran (or the veteran's unmarried surviving spouse) who has applied with the New Mexico Department of Veteran's Services and has been issued a "certificate of eligibility" may qualify for this benefit. For first time applicants, the certificate must be presented to the Assessor's Office within the deadline. Once the exemption is claimed and applied, it remains applied to the property until the ownership of that property changes. With this exemption your savings in taxes will depend on which tax district your property lies.

**100% DISABLED VETERAN**

Any veteran who is deemed 100 percent disabled (or the veteran's unmarried surviving spouse) who has applied with the New Mexico Department of Veteran's Services and has been issued a "certificate of eligibility" may qualify for a 100 percent exemption from property taxes on his or her place of residence. Once the exemption is claimed and applied, it will remain applied to the property until the ownership of that property changes. Other circumstances may apply.

**VALUATION FREEZE**

If you are 65 years or older or permanently disabled (at any age) AND had a modified gross income that does not exceed \$35,400 per year in 2020, you may apply for a property valuation freeze for your residence. Application must be submitted along with proof of income, age & disability. Freezing your valuation will help minimize your property value increases. An owner who has claimed and been allowed the limitation of value for the three consecutive tax years immediately prior to the 2020 year need not claim the limitation for subsequent tax years if there is no change in eligibility. The Assessor will continue to apply the limitation automatically until a change in eligibility occurs and is reported by the owner.

**WHEN IS THE DEADLINE TO APPLY?**

The deadline for claiming the head of family, veterans, 100 percent disabled veteran's exemptions, as well as the valuation freeze is 30 days after the official date of mailing as indicated yearly on the Assessor's official "Notice of Value." McKinley County typically mails notices on or around April 1st of each year. You can apply in person or by mail. Veteran Exemptions must be claimed in person.



**CALCULATING YOUR TAX BILL - EXAMPLE**

Taxes are billed and collected by the County Treasurer's Office

ASSESSOR'S APPRAISED VALUE	TAXABLE VALUE	TAX RATE	TAXES DUE
\$150,000 ÷ 3 =	\$50,000	x .034700	= \$1,735.00

**HOW EXEMPTIONS AFFECT YOUR VALUE**

TAXABLE VALUE		\$50,000
HEAD OF FAMILY EXEMPTION	⊖	-\$2,000
VETERAN EXEMPTION		-\$4,000
<b>TOTAL EXEMPTIONS</b>		<b>\$6,000</b>
NET TAXABLE VALUE	⊖	\$44,000
<b>NET TAXABLE VALUE</b> x <b>TAX RATE</b>		<b>\$44,000 x .034700*</b>
		<b>\$1,526.80 Taxes Due</b>

**Your Total Savings with Exemptions is \$208.20**

\* Tax Rate = 2020 Tax Rate for Property located in city limits of Gallup

**5**

**THE BIG QUESTION?  
WHY DOES MY PROPERTY VALUE INCREASE UP TO 3%, WHEN THE MARKET HAS BEEN DECLINING?**

Most likely the value on your residential property assessment increased 3% because the Assessor's valuation has been capped in prior years while the market was increasing by much more than 3%. It may have been capped between one and fourteen years, depending on how long you have owned your home. The law went into effect in 2001. The Assessor's capped value may be very low relative to the real time market value and therefore may not reflect the current market value, thus it must be re-appraised and may be increased by up to 3% per year.

**6**

**DISCLOSURE OF SALES PRICE**

New Mexico law requires the disclosure of residential sales information to the County Assessor's Office. This must be accomplished by filing a notarized affidavit at the Assessor's office within thirty days of the date of filing a deed, real estate contract or memorandum of real estate contract with the County Clerk. All information collected is required to be kept confidential with the Assessor's office, and will not be made available as public information. Failure to comply with the law could result in a conviction of a misdemeanor and punishable by the imposition of a fine of not more than one thousand dollars (\$1,000).

**7**

**REPORTING IMPROVEMENTS**

All property owners who have made improvements to their real property, in the preceding tax year, and costing more than \$10,000 must report this information to the Assessor's Office by the last day of February of each year. This includes all new construction such as: new homes, structures, additions, and any other changes or improvements. Please do not rely on outside parties such as title companies to complete this reporting requirement for you. Property that has not been reported may be subjected to the imposition of back taxes for up to ten years.