



STATE OF NEW MEXICO
Taxation and Revenue Department
An Equal Opportunity Employer

- DIVISIONS
Office of the Secretary (505) 827-0341
Administrative Services (505) 827-0369
Audit and Compliance (505) 827-0900
Motor Vehicle (505) 827-2296
Property Tax (505) 827-0870
Revenue Processing (505) 827-0800
Tax Fraud Investigation (505) 827-0354

Susana Martinez
Governor
Demesia Padilla
Secretary

IMPORTANT REMINDER

New Mexico Automobile Dealers

The New Mexico Taxation & Revenue Department (TRD) continues to receive phone calls from automobile dealers regarding TRD liens on vehicles taken in trade from customers and some resold. This notice is to remind dealers of the statutory authority of the Taxation & Revenue Department and the expectations held regarding tax liens on property, including vehicles.

Section 7-1-38 NMSA 1978 states "A notice of the lien provided for in Section 7-1-37 NMSA 1978 may be recorded in any county in the state in the tax lien index established by Sections 48-1-1 through 48-1-7 NMSA 1978 and a copy thereof shall be sent to the taxpayer affected... Recording of the notice of lien shall be effective as to all property and rights to property of the taxpayer." A tax lien will most likely appear on the taxpayers' credit report.

New Mexico Taxation & Revenue Department provides additional notification to taxpayers for liens on vehicles. A letter is sent to a delinquent taxpayer demanding surrender of the vehicle title. A new title is then created showing New Mexico Taxation & Revenue Department as lien holder and is retained by the Department. If the Department is a second lien holder, the new title is sent to the first lien holder and a notification letter is sent to the taxpayer. The vehicle registration is then flagged with the lien information on the Motor Vehicle Department database.

The Taxation and Revenue Department will not release its lien on a vehicle until the tax obligation it secures is satisfied. Dealers cannot avoid responsibility for the tax lien by neglecting to check for the existence of the lien before taking the vehicle in trade.

Pursuant to NMSA 1978, Section 30-16-18, it is a third-degree felony for a person (including a dealer) to sell a motor vehicle with knowledge the vehicle is encumbered if the value of the vehicle is between \$2,500 and \$20,000. If the Department becomes aware of such a violation by a dealer, it may request cancellation of the dealer's license and may inform the district attorney of the criminal violation.

Questions regarding vehicle liens may be directed to Revenue Agent Supervisor Kimberle Lowe at (505) 841-6232.