

Comments for April 29 Hearing

**Requesting clarification on Regulation 3.2.10.23 – Compensating Tax on Services Performed Outside the State.**

Question 1: If a seller is engaging in business and has substantial nexus as defined under Regulation 3.2.1.12 but does not charge New Mexico gross receipts tax on services performed outside New Mexico, the product of which is delivered to the purchaser in New Mexico for initial use in the state, and does not state that gross receipts tax is included in the amount billed, does the purchaser owe compensating tax on that service?

Question 2: If the purchaser does not have knowledge if the seller is engaging in business and has substantial nexus as defined under Regulation 3.2.1.12 and seller does not charge New Mexico gross receipts tax on services performed outside New Mexico, the product of which is delivered to the purchaser in New Mexico for initial use in the state, and does not state that gross receipts tax is included in the amount billed, does the purchaser owe compensating tax on that service?

**Requesting clarification on Regulation 3.1.4.13 (C) (5) – Rules for Determining Reporting Location**

Question 3: If seller is engaging in business and has substantial nexus in New Mexico as defined under Regulation 3.2.1.12, and is delivering a license to use to digital goods to a data center in New Mexico, for use in another state, is the sale subject to New Mexico gross receipts tax?

Question 4: If seller is engaging in business and has substantial nexus in New Mexico as defined under Regulation 3.2.1.12, and is performing services outside the state where the product of the service will be delivered to New Mexico, for use in New Mexico and another state. Is the entire sale subject to New Mexico gross receipts tax?