

Re: [EXT] Gross Receipts tax regulations

OT

Office, Policy, TRD

Wed 4/28/2021 11:50 AM

To: Walter Blood <w.blood505@comcast.net>



Thank you for providing these comments.

Tax Information and Policy Office

New Mexico Taxation and Revenue Department

The foregoing is an informal analysis of the facts presented in your email. Please be advised that this email does not constitute a ruling issued pursuant to NMSA 1978, Section 9-11-6.2, and does not bind the Department in any way in the future.

From: Walter Blood <w.blood505@comcast.net>

Sent: Tuesday, April 27, 2021 1:21 PM

To: Office, Policy, TRD

Subject: [EXT] Gross Receipts tax regulations

I have been a volunteer income tax assistant for 13 years. When I read about the proposed GRT regulations in the Journal yesterday I had some concerns.

Ride-share drivers are often surprised at filing their first tax returns with ride share income that they owe gross receipts taxes as well self-employment taxes. They have often kept poor records. To date their gross receipts taxes have been based on their residence. If I understand the proposed changes, they will need to keep track of county destinations. It is not unusual for them to pick up a person in Bernalillo and deliver someone to Valencia or Sandoval County, etc. I doubt Uber or Lyft will provide separate 1099-Ks for each county served by a driver.

Prior to my volunteer work I was a second level manager of IRS auditors. My experience with out-of-state wine purchases has led me to wonder how NM can audit gross receipts taxes on those purchases. Some vendors charge 5.125% on purchases. Others charge higher rates, up to >10%. I inquired with a California vendor about 10.xx% sales tax and was told that was their local rate and it was being charged on the advice of their counsel. Another vendor says "the price includes shipping and taxes," so I have no idea what tax rate, if any, is being used. I have also encountered at least one vendor who charged no GR/sales tax. Many wine vendors use the service of Ship Compliant to help them navigate the broad range of state alcohol and tax laws. I wonder how NM can check on companies hundreds of miles from our border?

Walter Blood

Albuquerque, NM

[Reply](#) | [Forward](#)