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First Cannabis Excise Tax payments due this month
Adult use retailers must file new tax and Gross Receipts Tax by May 25

SANTA FE – The first Cannabis Excise Tax filings and payments are due by May 25, 2022. So far, 78 cannabis businesses have registered for the excise tax with the Taxation and Revenue Department.

The Taxation and Revenue Department began accepting registrations for the new tax on April 1.

Taxpayers must be licensed by the Cannabis Control Division of the Regulation and Licensing Department before they can establish a Cannabis Excise Tax account.

Cannabis Excise Tax returns due on May 25 are for activity occurring in the month of April 2022. Businesses subject to the excise tax can register their accounts online using Taxation and Revenue's [Taxpayer Access Point](#) (TAP) self-service portal.

Businesses subject to the new Cannabis Excise Tax are those that have retail sales of adult-use cannabis. Those businesses must also register to pay Gross Receipts Tax (GRT) on their sales.

Gross Receipts Tax should be figured on the total sales price, including the excise tax amount. For example, a retailer in Albuquerque who sells \$100 of adult use cannabis would pay 12% in excise tax on that sale. Then, when determining the Gross Receipts tax due, the retailer would apply the Albuquerque Gross Receipts Tax rate – currently 7.875% – on \$112 (sale price + excise tax) to come up with gross receipts tax due of \$8.82.

The same sale in the city of Santa Fe would result in a gross receipts tax due of \$9.45 (\$112 x 8.4375%). In Las Cruces, it would result in a gross receipts tax due of \$9.31 (\$112 x 8.3125%).

Gross Receipts tax rates are subject to change twice a year, on July 1 and January 1.

Businesses already registered for GRT may use their existing accounts to pay GRT on adult-use cannabis sales, but they must also have a Cannabis Excise Tax account.

Medical cannabis sales are not subject to the new Cannabis Excise Tax, and medical cannabis sales are also deductible from GRT. Medical cannabis providers still need to file GRT returns, but they will be able to deduct their medical cannabis receipts.

Filing and payment should be submitted electronically through the TAP self-service portal. Taxpayers are required to use either ACH debit (echecks) or a credit card to make payments. Credit card payments are subject to a 2.4% convenience fee. Fedwire and ACH Credit payments cannot be accepted for the Cannabis Excise Tax or the Gross Receipts Tax on cannabis retail sales. Anyone needing to pay with a paper check or cash must have a waiver. Waiver forms are available in the “E-File and E-Pay Exceptions” folder on the Forms & Publications page of tax.newmexico.gov.

Tutorials on how to register for Cannabis Excise Tax accounts are available on the Department’s YouTube channel, [New Mexico Taxation and Revenue](#). A [web page](#) devoted to the Cannabis Excise Tax also is available at tax.newmexico.gov under the “Businesses” menu. Tax guidance is available in [FYI 260](#) on the Forms & Publications page of tax.newmexico.gov.

More information on licensing is available on the Cannabis Control Division website: <https://ccd.rld.state.nm.us/>.

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The Taxation and Revenue Department serves the State of New Mexico by providing fair and efficient tax and motor vehicle services. It administers more than 35 tax programs and distributes revenue to the State and to local and tribal governments throughout New Mexico.

The Department strives to reduce taxpayer burden through clearer communication, statutes, regulations, forms, correspondence and instructions.

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