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Taxation and Revenue wins national award for Gross Receipts Tax technology

Department worked with taxpayers, UNM to develop compliance software

Taxation and Revenue Department data tools designed to help New Mexico businesses comply with new reporting requirements have been honored with an award from the national Federation of Tax Administrators.

Earlier this year, the Department released two new data tools that make it easier for businesses to comply with destination sourcing rules for Gross Receipts Tax (GRT) reporting.

Destination sourcing requires most taxpayers to pay the rate in effect where their goods or services are delivered. New Mexico adopted the rules under laws passed in 2019 and 2020 that allowed the state to begin collecting GRT on internet sales. The sourcing rules apply to both in-state businesses and those based elsewhere.

One tool is an application programming interface (API) that can be integrated into e-commerce or other web-based applications to automate the matching of street addresses to GRT rates and location codes. The other is a web-based service that allows users to upload bulk files of addresses that are then matched to location codes and GRT rates.

 "We know it was difficult for many businesses to make the transition to destination sourcing, so we were excited to launch these new tools," said Taxation and Revenue Secretary Stephanie Schardin Clarke. "It's gratifying to know that the hard work that went into developing them is earning recognition."

 Both tools were developed through a collaboration between the Taxation and Revenue Department and the University of New Mexico's Earth Data Analysis Center (EDAC) after taxpayers told the Department they were struggling to comply with reporting

requirements for large volumes of transactions. Taxpayers were invited to participate in the design and testing of the new tools.

"The collaboration between the Department and the University of New Mexico is a perfect example of how government agencies that work together can create innovation that improves quality of life for our constituents," the Department wrote in its award application. "By leveraging resources and intellectual capital that already exists within Tax & Rev and the University of New Mexico's Earth Data Analysis Center, we were able to solve immediate real-world challenges that benefit our local business community."

The tools received the Technology Award at the FTA's annual convention this week in Scottsdale, Ariz. The FTA serves state tax collection agencies across the country with research, training and facilitating intergovernmental and interstate cooperation. It also represents the interests of state tax administrators before federal policymakers.

New Mexico Taxation and Revenue Department Secretary Stephanie Schardin Clarke serves on the FTA's Board of Trustees.

An explanation of the tools and how to use them is available on the GIS Data Files and Tools page at tax.newmexico.gov. To find the tools from the website's home page, open the "Businesses" menu and choose "GIS Data Files and Tools" in the "Online Services" column.

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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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