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Hearing scheduled April 29 on new Gross Receipts Tax regulations

The New Mexico Taxation and Revenue Department will hold a public hearing April 29 on proposed new regulations governing how businesses report their Gross Receipts Taxes.

The proposed regulations are needed to administer changes mandated by a 2019 law. Starting July 1, 2021, most goods and services sold in New Mexico will be taxed at the rates in effect in the jurisdictions where they are delivered, a method known as “destination-based sourcing.”

“This is going to be a significant change for many New Mexico businesses, and taxpayers are encouraged to take part in the hearings process,” said Taxation and Revenue Secretary Stephanie Schardin Clarke. “Once the regulations have been adopted, we will provide additional guidance.”

Most taxpayers now pay the GRT rate for the location of their business, and retail operations will continue to do so for most sales completed at their business locations. Also, some providers of professional services will continue to calculate tax using their place of business after July 1, and special rules will also apply to construction services, transportation network companies, and sales and leases of real estate.

The 2019 law also allowed New Mexico to collect Gross Receipts Tax on internet sales for the first time. Receipts from those sales are currently taxed at the statewide 5.125% rate. Starting July 1, 2021, receipts from these sales will also be subject to local option gross receipts rates.

The Public Hearing will be conducted on the WebEx virtual meeting platform beginning at 12 p.m. April 29, 2021. Interested parties can attend by going to <https://nm-tax.webex.com/nm-tax/j.php?MTID=mf62ce1c91ba6017f237a822566543bbb> Meeting number (access code): 132 352 9832 Meeting password: 04292021 or by telephone by dialing 1-844-621-3956.

Any oral comments made during this hearing will be recorded and any electronic written comments can be submitted during the hearing at policy.office@state.nm.us.

The [proposed regulations](#) can be found at <https://www.tax.newmexico.gov/all-nm-taxes/proposed-regulations-hearing-notices/> and clicking on the hearing notice link. They also are available upon request by contacting the Tax Policy Office at policy.office@state.nm.us.

Written comments can be submitted by email to policy.office@state.nm.us or by mail to the Taxation and Revenue Department, Tax Information and Policy Office, Post Office Box 630, Santa Fe, New Mexico 87504-0630 or on or before April 29, 2021. All written comments received by the agency will be posted on www.tax.newmexico.gov no more than three business days following receipt to allow for public review.