



The Taxation and Revenue Department would like to ensure you are aware of important changes coming this summer to New Mexico business tax filing.

CRS Redesign

As of July 6, 2021, the Department is redesigning its Combined Reporting System (CRS) to separate tax returns for specific business tax programs, including gross receipts, compensating tax, wage withholding, non-wage withholding and a handful of other small tax programs. In the past, these taxes were filed on one return. Over 95% of CRS taxpayers currently only file gross receipts and/or wage withholding. There will now be separate returns tailored to the needs of different taxpayers to streamline filing and give taxpayers more control over their accounts. The changes will also expedite the Department's processing of refunds.

Taxpayers will automatically be registered for most of the separated tax programs. Non-wage withholding filers will need to register separately in July or August to ensure that their non-wage withholding account is ready to be used for the return due by August 25, 2021. Assistance with the registration process is available by emailing business.reg@state.nm.us or calling 1-866-285-2996.

The "CRS number" that businesses use to report their taxes will stay the same but will simply be renamed the Business Tax Identification Number (BTIN).

The Taxpayer Access Point (TAP) e-filing portal, including electronic payments, will be unavailable from 5pm MST on June 30 through July 5, 2021 as we upgrade the system. Please ensure that any returns or payments due during this time period are submitted on or before June 30th, 2021.

Taxpayers who make payments via ACH credit or Fedwire must update their payments to new bank accounts the Department has established. FYI 401 provides information about specific account numbers to be used for different types of electronic payments and can be found [here](#) under Publications > FYIs > 400 Series-Tax Administration.

More information about the CRS Redesign is available at https://www.tax.newmexico.gov/news-alerts/crs_redesign-project/. The Department's

YouTube Channel, [New Mexico Taxation and Revenue](#), has trainings and tutorials about what to expect in July.

Destination-Based Sourcing of GRT and Compensating Tax

Statutory changes taking effect July 1, 2021 will also impact GRT and Compensating Tax reporting locations. Currently, New Mexico uses origin-based sourcing, in which most GRT is reported at the seller's place of business. For sales occurring on or after July 1, 2021, the reporting location for goods and general services is the buyer's delivery location. The reporting location for in-person services is the place the service is performed. The GRT rate for professional services (excluding in-person services) is the seller's place of business (origin-based sourcing), except construction services and real estate commissions, which will continue to use the construction site/property location.

An interactive GRT rate map, available at <https://www.tax.newmexico.gov/governments/gross-receipts-location-code-and-tax-rate-map/>, identifies tax rates at locations throughout New Mexico.

Also pursuant to statute, beginning July 1, 2021 local option Compensating Tax will be imposed. Like the current local option GRT, local Compensating Tax rates enacted by local public bodies such as cities and counties will be added to the State rate for transactions occurring on or after July 1.

Questions?

If you have questions about the CRS Redesign project or the time that TAP will be unavailable, please email TRDCRS.Redesign@state.nm.us. For questions about destination-based sourcing please email policy.office@state.nm.us. The Tax Call Center is also available by calling 1-866-285-2996.

We understand that change is hard. The Department is committed to supporting taxpayers through this change and to reducing taxpayer burden. Thank you for your understanding as we make this transition to better serve New Mexico businesses.