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Back-to-School tax holiday is this weekend
Retailers pass along tax savings to shoppers on many necessities

SANTA FE—New Mexicans may be able to save as much as 9 percent on many purchases this weekend during the annual back-to-school Gross Receipt Tax holiday.

Businesses can deduct the sales of a wide variety of merchandise made between 12:01 a.m. on Friday, August 5 and midnight on Sunday, August 7. That essentially allows them to sell qualifying merchandise tax free. Many merchants also absorb the tax on non-qualifying items.

The Gross Receipts Tax in New Mexico ranges from 5 percent to more than 9 percent, depending on location.

Internet-based sales of qualifying merchandise are eligible for the deduction. Retailers of any kind are not required to participate.

“At a time when many New Mexicans are struggling with higher prices, this is a great opportunity for New Mexicans to save some money on clothes and other things they need for their families,” said Taxation and Revenue Secretary Stephanie Schardin Clarke.

Among the merchandise that can be sold tax-free this weekend are clothing and shoes priced at less than \$100 per unit, computers priced under \$1,000 and related computer hardware priced under \$500. School supplies under \$30 per unit for use in standard, general-education classrooms also qualify.

More information is available in [FYI-203, Gross Receipts Tax Holiday](#), which can be found in the publications folder of the Forms & Publications page at tax.newmexico.gov.

The Taxation and Revenue Department estimates that shoppers save about \$4 million per year as a result of the tax- free holiday weekend.

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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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