

Media Contact: Charlie Moore
Charlie.Moore@state.nm.us
(505) 670-5406

August 30, 2022

Department publishes proposed regulations for digital advertising
Updated Gross Receipts Tax rules also address cannabis, reimbursed expenditures

SANTA FE—The Taxation and Revenue Department has published proposed regulations covering Gross Receipts Tax and Compensating Tax on digital advertising, cannabis and reimbursed expenditures.

Digital advertising is already subject to Gross Receipts Tax (GRT) in New Mexico. The proposed rules are intended to update regulations to reflect changes in technology and ensure that rules covering digital advertising are consistent with those covering other forms of advertising.

The proposed rules for cannabis clarify its definition under rules covering agricultural products and make clear that it is subject to the Gross Receipts Tax. The changes do not affect the GRT deduction allowed for medical cannabis that was passed into law in 2021.

The proposed changes concerning GRT on reimbursed expenditures remove language outdated by recent legislation on disclosed agency.

The proposed regulation changes are available on the [Proposed Regulations & Hearing Notices](#) page at tax.newmexico.gov. A hearing on the changes has been scheduled for Sept. 8, 2022, at 10 a.m. using the Zoom virtual meetings platform.

Information needed to attend the hearing is as follows:

<https://us02web.zoom.us/j/84355521638?pwd=SnViVlRaUjU2amwrSXNUN2NDUENsUT09> or by telephone by dialing 1 346 248 7799 Meeting ID: 843 5552 1638 Passcode: 543446.

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.

Written comments on the proposals can be submitted ahead of time 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. The deadline for hearing comment is 5 p.m. on the date of the hearing.

All written comments received by the agency will be posted on www.tax.newmexico.gov no more than 3 business days following receipt to allow for public review.

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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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