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Department finalizes new Gross Receipts Tax regulations *Rules cover nexus, digital advertising*

SANTA FE — The Taxation and Revenue Department has finalized its proposed amendments to regulations governing Gross Receipts Tax on digital advertising services and defining when a taxpayer no longer has nexus for gross receipts tax purposes.

Digital advertising, as with other types of advertising, was already subject to Gross Receipts Tax in New Mexico. The amended rules are intended to reflect changes in technology and ensure that rules covering digital advertising are consistent with those covering other forms of advertising.

The proposed rules clarify how to determine the reporting location for the sale of digital advertising. Under the new rule, a company selling digital advertising services intended to be viewed only in New Mexico should use the company's location for purposes of reporting its gross receipts and related tax.

The rules were the subject of a hearing on Nov. 9.

The final regulations are available in the [New Mexico Register](#).

Other regulations covered in the Nov. 9 hearing help taxpayers determine their reporting and payment responsibilities for gross receipts taxes if they no longer have nexus with New Mexico.

The rules clarify that if a taxpayer does not have a physical presence in New Mexico and their taxable gross receipts in New Mexico fall below \$100,000 in a calendar year, the taxpayer may close their Gross Receipts Tax account. Should their taxable gross receipts again reach the \$100,000 nexus threshold in a given year, they must re-register and resume filing in the following year.

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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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