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May 1, 2024

Tax and Rev issues guidance on Hermit's Peak tax credit
GRT credit applies to legal services provided after July 1, 2024

SANTA FE — The New Mexico Taxation and Revenue Department has issued guidance about using a new Gross Receipts Tax credit for legal services provided to claimants seeking compensation from the federal government for damages related to the 2022 Hermit's Peak/Calf Canyon Fire.

The credit is available to lawyers who provide legal services to claimants after July 1, 2024, the effective date of the credit. The credit was created by the Legislature and signed into law by Governor Michelle Lujan Grisham earlier this year.

Among other restrictions, the credit is available only when the attorney has not passed along the cost of the Gross Receipts Tax to clients seeking compensation from the federal government.

The guidance is available in [a new bulletin](#), B-200.38, available in the publications folder on the [Forms & Publications page](#) of tax.newmexico.gov.

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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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