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June 4, 2025

New tax and fee changes beginning July 1

SANTA FE – New Mexico's tax laws change July 1 due to scheduled updates, local actions, and recent legislation.

Cannabis tax

Adult use cannabis sales began in April 2022, and the cannabis excise tax rate has been 12%. The [legislation](#) creating the tax included scheduled increases of 1% per year starting July 1, 2025. On that date, it will increase to 13%. Every year after, the rate will increase until it reaches 18% in July 2030.

Gross receipts and compensating tax

Gross receipts and compensating rates will increase in some areas of the state as a result of local government and tribal actions. Areas include Roswell, Maxwell, Texico, Las Cruces, Santa Clara Pueblo and Land Grant, Elida, and Portales. New location codes have also been established in Bernalillo and Dona Ana Counties. For tax rates by location and boundaries, see our [gross receipts and compensating tax location code map](#) and select the current year folder.

Fee and surcharge increases

Effective July 1, several fees and surcharges will increase as a result of [Senate Bill 535](#):

- The worker's compensation fee, unchanged since 2004, will rise from \$2.30 to \$2.55 for employers and from \$2 to \$2.25 for employees. Additional increases are scheduled for July 2028 and July 2033.
- The 911 emergency surcharge, last adjusted in 2005, will increase from \$0.51 to \$1. The surcharge helps fund 911 emergency dispatch operations statewide.
- The telecommunication relay surcharge will increase from 0.33% to 1.66%. Revenue from the increase will support 988 crisis lifeline operations across New Mexico. The 988 line is a nationwide service for suicide prevention and mental health emergencies.

For more information on 2025 legislative changes, see [our YouTube channel](#) and consider signing up for the [New Mexico Taxation and Revenue Department Notification Service](#) located on our [News & Alerts](#) page.

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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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