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Department preparing for cannabis sales
Businesses can register cannabis excise tax accounts beginning April 1

The Taxation and Revenue Department will begin accepting registrations for the new Cannabis Excise Tax on April 1.

Taxpayers will need to be licensed by the Cannabis Control Division of the Regulation and Licensing Department (RLD) before they can establish a Cannabis Excise Tax account.

Once licensed, businesses subject to the excise tax will be able to register their accounts online using Taxation and Revenue's [Taxpayer Access Point](#) (TAP) self-service portal.

Businesses subject to the new Cannabis Excise Tax are those that will have retail sales of adult-use cannabis. Those businesses must also register to pay Gross Receipts Tax (GRT) on their sales. Businesses already registered for GRT may use their existing accounts to pay GRT on adult-use cannabis sales, but they must also have a Cannabis Excise Tax account.

Medical cannabis sales are not subject to the new Cannabis Excise Tax, and medical cannabis sales are also deductible from GRT. Medical cannabis providers will still need to file GRT returns, but they will be able to deduct their medical cannabis receipts.

The first returns for the Cannabis Excise Tax will be due on May 25, 2022 for activity occurring in the month of April 2022.

Filing and payment should be submitted electronically through the TAP self-service portal.

Tutorials on how to register for Cannabis Excise Tax accounts will be available on the Department's YouTube channel, [New Mexico Taxation and Revenue](#) once registration

opens. A [web page](#) devoted to the Cannabis Excise Tax also is available at tax.newmexico.gov under the “Businesses” menu.

More information on licensing is available on the Cannabis Control Division website: <https://ccd.rld.state.nm.us/>.

Below are answers to some other frequently asked questions about the new Cannabis Excise Tax.

How much is the excise tax? The excise tax will be 12 percent of sales until July 1, 2025 and then gradually rises to 18 percent beginning July 1, 2030.

Are the rates different in each location like they are with GRT? No, the rate is the same throughout the state, but businesses will be required to report by location so that localities can receive their share of the tax.

How often do I have to file and pay? Excise tax must be filed and paid monthly by the 25th of the month following the sale of the product.

How do I file? Filing should be done electronically through Tax and Rev’s Taxpayer Access Point (TAP) self-service portal.

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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