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New Nontaxable Transaction Certificate now available

The Taxation and Revenue Department has adopted a new application form that makes it easier to claim a construction-related gross receipts tax deduction available to non-profit and government agencies. The Department created the new application form after gathering input from stakeholders, including contractors, tax professionals and representatives from government and non-profit agencies.

The Type 17 Nontaxable Transaction Certificate is available for government and non-profit organizations to issue to construction contractors for purchase of construction material that is classified as tangible personal property as defined in Section 168 of the Internal Revenue Code.

“We’re pleased to be able to offer a new way to substantiate this particular deduction, which can be very valuable to government agencies and non-profits in New Mexico. And we’re especially grateful for the participation of the many stakeholders who provided advice and feedback during our outreach effort,” said Deputy Secretary Emily Oster.

By executing a Type 17 NTTC, a government or non-profit organization assumes responsibility for ensuring that there is an underlying, allowable gross receipts tax deduction to support the nontaxable status of the transaction, and it provides construction contractors with conclusive evidence of that under Section 7-9-54 (C) NMSA 1978.

The [new form is available](#) on the Department’s website, tax.newmexico.gov on the Forms & Publications page in the “Business Taxes” folder. It can also be found by opening the “Businesses” menu on the home page and choosing “non-Taxable Transaction Certificates.”

However, a Type 17 NTTC is not required to claim the deduction. As in the past, alternative evidence can be used. More information on using alternative evidence is available in bulletin B-200.32, which also is available on the Forms & Publications page on the Department’s website.

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