FYI-230

New Mexico
Taxation and Revenue Department

FOR YOUR INFORMATION

Tax Information/Policy Office ♦ P.O. Box 630 ♦ Santa Fe, New Mexico 87504-0630

COMPENSATING TAX

Compensating Tax, sometimes called a "use" tax, was first imposed in 1939 under the Compensating Tax Act, a companion to the Emergency School Tax Act. It was merged into the Gross Receipts and Compensating Tax Act in 1967.

The purpose of compensating tax is to protect New Mexico businesses from unfair competition from untaxed transactions by businesses located outside New Mexico.

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This information is as accurate as possible at time of publication. Subsequent legislation, new state regulations, and court cases may affect its accuracy. For the latest information please check the Taxation and Revenue Department's web site at www.tax.newmexico.gov.

GENERAL INFORMATION

Compensating tax is imposed on persons using tangible property, services, or a license or a franchise in New Mexico on which tax has not been paid to New Mexico (Section 7-9-7 NMSA 1978). The tax "compensates" for the absence of a gross receipts tax on the purchase of the item.

The tax for **tangible property** applies in two types of transactions.

1) Compensating tax is imposed if:

   - the tangible property is acquired inside or outside New Mexico from a person located outside New Mexico; and
   - the sale would have been subject to New Mexico gross receipts tax if the seller had nexus with New Mexico. For purposes of the gross receipts tax and compensating tax, "nexus" means that the person was "engaging in business" in New Mexico under the definition provided in Section 7-9-3.3, NMSA.

2) Compensating tax is imposed when a manufacturer uses in New Mexico property that they have manufactured.

For use of **services**, compensating tax is imposed if the services have been performed by a person outside this state and the product of the service was acquired as the result of a transaction with a person located outside the state that would have been subject to the gross receipts tax had the service or product of the service been acquired from a person with nexus in New Mexico.

For use of **a license or franchise**, compensating tax is imposed if the value of the license or franchise was acquired as the result of a transaction with a person located outside the state that would have been subject to the gross receipts tax had the license or franchise been acquired from a person with nexus with the state.

An item purchased from an out-of-state seller, through a transaction that would be deductible or exempt from New Mexico gross receipts tax if it occurred in New Mexico, is not subject to New Mexico compensating tax when that item is used in this state. No deduction or exemption from compensating tax is offered because tangible property is purchased by mail, telephone, or through the Internet. Please refer to examples 1 through 5, beginning on page 10.

USE BY INDIVIDUALS

Individuals and businesses owe compensating tax on purchases from out-of-state vendors whether the purchase are made by mail, over the phone, online, or other means. Following a recent statutory change, the Department is authorized to enforce the compensating tax against both businesses and individuals, and both business and individuals should make every effort to be aware of their obligation to pay this tax.

Households that move to New Mexico are exempt from tax on the value of personal and household effects that are moved (Section 7-9-27 NMSA 1978).

AGENT FOR COLLECTION OF COMPENSATING TAX

In most cases the buyer is liable for paying the compensating tax to the state. However, if the seller has sufficient presence in New Mexico and makes sales into New Mexico that are not subject to the gross receipts tax, New Mexico requires the seller to collect the compensating tax from the New

Mexico buyer and to report and remit it to the Department. Please refer to the following guidelines for determining if you are an agent for collection of compensating tax and to Example 5 at the top of page 11.

A person is an agent for collection of compensating tax when that person directly or by an agent:

1. carries on or causes to be carried on any activity attempting to exploit New Mexico's markets;
2. sells property or sells a combination of property and service for use in this state, and
3. is not subject to the gross receipts tax on receipts from these sales.

"Activity" includes:

- maintaining or using an office, distribution house, sales house, warehouse, service enterprise or other place of business;
- maintaining a stock of goods;
- regularly soliciting orders whether or not such orders are accepted in New Mexico, unless the activity in New Mexico consists solely of soliciting by direct mail, or
- regularly engaging in the delivery of property in New Mexico other than by common carrier or U.S. mail as a consequence of an advertising or other sales program directed at potential customers.

TAX RATE

The value of an item that is subject to compensating tax is generally reported to the same reporting location to which gross receipts from the transaction in which the item was acquired would have been reported had the transaction been subject to gross receipts tax. Guidance on these rules determining the appropriate reporting location can be found in the publication *FYI-200 Your Business Location and The Appropriate Tax Rate* found on the Department's website.

In the case of an individual who owes compensating tax for non-business use of items acquired in a transaction with a person that did not have nexus in New Mexico, the reporting location for reporting that compensating tax is the individual's residence or primary place of abode in the state at the time of the transaction.

In the following cases, the reporting location for reporting compensating tax on purchases, other than professional services, is the location of first use in the state:

1. purchases made by a business that were not subject to the gross receipts tax solely because they were made outside the state, where the later use inside New Mexico renders the receipts subject to the compensating tax; or
2. where the taxpayer has information that can show that first use upon which compensating tax is imposed occurred at a different time and place than would be determined under the rules under for interstate telecommunications services and mobile telecommunications services.

The amount of tax is calculated based on the value of the property, service, license or franchise at the time of acquisition or introduction into New Mexico, or at the time of conversion to taxable use, whichever is later.

"Value" for tangible property refers to the adjusted basis of the property for federal income tax purposes. If there is no adjusted basis, a "reasonable value" shall be used.

REPORTING REQUIREMENTS

Unlike the gross receipts tax, liability for compensating tax rests with the buyer or user rather than with the seller. The buyer meets the tax obligation, however, if the buyer pays compensating tax to a seller who is an agent for the collection of compensating tax. If this is the case, the compensating tax must be stated separately on the invoice to verify payment (Section 7-9-9 NMSA 1978).

Compensating tax is reported on the *TRD-41412 Compensating Tax Return*. The return can be located on the Department's website under at http://www.tax.newmexico.gov/Businesses/forms-publications.aspx and clicking on the Business taxes folder and the Compensating tax.

The return may also be filed online using the Department's online filing system Taxpayer Access Point (TAP) located here: https://tap.state.nm.us/tap/.

The *TRD-41412 Compensating Tax Return* and payment for taxes are due on the 25th of the month following the end of the reporting period when you have compensating tax is due. This return only needs to be filed when you have compensating tax due for the period.

EXEMPTIONS FROM COMPENSATING TAX

Transactions that are exempt from compensating tax do not have to be reported on the *TRD-41412 Compensating Tax Return*:

Electricity Exemption
The use of electricity in the production and transmission of electricity, including transmission using voltage source conversion technology, is exempt (Section 7-9-38 NMSA 1978).

Fuel Exemptions
The use of gasoline or special fuel on which the Gasoline Tax (Section 7-13-3 NMSA 1978) or Special Fuel Excise Tax (Section 7-16A-3 NMSA 1978) has been paid and not refunded is exempt (Section 7-9-26 NMSA 1978).

The use of oil, natural gas, liquid hydrocarbons, or any combination of these as fuel consumed in the pipeline transportation of any of these products is exempt (Section 7-9-37 NMSA 1978).

The use of fuel, oxidizer or a substance that combines fuel and oxidizer to propel space vehicles or to operate space vehicle launchers (Section 7-9-26.1 NMSA 1978).

The use of fuel to be loaded or used by a common carrier in a locomotive engine (Section 7-9-110.2 NMSA 1978).

Governmental Entity Exemptions
The use of property by the federal government or one of its agencies, or by the state of New Mexico, one of its agencies, or a political subdivision is exempt (Section 7-9-14(A) NMSA 1978) with two exceptions: (1) the use of property by a New Mexico political subdivision that is or will be incorporated into a project created under the Metropolitan Redevelopment Code is not exempt; and (2) the use of tangible personal property that becomes an ingredient or component part of a construction project is not exempt.

The use of property on Indian reservations or pueblo grants by the governing body, agency, or subdivision of an Indian nation, tribe, or pueblo is exempt (Section 7-9-14(B) NMSA 1978).

The use of property by any branch of the U.S. Armed Forces engaged in resale activities is exempt (Section 7-9-31 NMSA 1978).

Not-for-Profit Organization Exemption
The use of property by organizations granted tax exemption under Section 501(c)(3) of the Internal Revenue Code is exempt provided the property is used for purposes described in that section (Section 7-9-15 NMSA 1978). There are two exceptions:

1) property used in an unrelated trade or business as defined in Section 513 of the Internal Revenue Code is not exempt; and

2) property used as an ingredient or component part of a construction project is not exempt (see exception below).

Exception: Construction materials used by a 501(c)(3) organization organized for the purpose of providing homeownership opportunities to low-income families would not be subject to compensating tax because of an allowable deduction under Section 7-9-60 NMSA 1978.

Personal and Household Effects Exemption
The use of personal or household effects brought into New Mexico by an individual at the time the individual establishes an initial residence in this state is exempt (Section 7-9-27 NMSA 1978). This exemption also covers the non-business use of property in New Mexico by a nonresident while temporarily within this state.

Railroad and Aircraft Exemptions
The use of railroad locomotives, trailers, containers, tenders or cars procured or acquired for use in railroad transportation is exempt (Section 7-9-30(A) NMSA 1978).

The use of commercial aircraft bought or leased primarily for use in the transportation of passengers or property for hire in interstate commerce is exempt (Section 7-9-30(B) NMSA 1978).

The use of space vehicles for transportation of persons or property in to or from space (Section 7-9-30(C) NMSA 1978),

Vehicles and Boats Exemptions
The use of vehicles on which the motor vehicle excise tax (Section 7-14-3 NMSA 1978) has been imposed is exempt (Section 7-9-23 NMSA 1978).

The use of vehicles subject to special registration with the Motor Vehicle Division for disabled persons (Section 66-3-16 NMSA 1978) is exempt (Section 7-9-23 NMSA 1978).

The use of boats on which the boat excise tax (Section 66-12-6.1 NMSA 1978) has been paid is exempt (Section 7-9-23.1 NMSA 1978).

DEDUCTIONS FROM COMPENSATING TAX

Deductions from compensating tax, unlike deductions from gross receipts tax, do not have to be reported on the *TRD-41412 Compensating Tax Return*:

Advanced Energy Deduction

The value of eligible generation plant costs from the sale or lease of tangible personal property to a person that holds an interest in a qualified generating facility for which the Department of Environment has issued a certificate of eligibility. This deduction cannot be claimed for the same qualified expenses for which a taxpayer claims a credit under Sections 7-2-18.25, 7-2A-25 or 7-9G-2 NMSA 1978 or a deduction under Section 7-9-54.3 NMSA 1978.

Agricultural Implements, Aircraft and Vehicles Deduction

Fifty percent of the value of agricultural implements used by persons regularly engaged in the business of farming or ranching, farm tractors, aircraft not exempted under Section 7-9-30(B) NMSA 1978, and vehicles not requiring registration under the Motor Vehicle Code may be deducted from the total value before computing compensating tax due (Section 7-9-77(A) NMSA 1978). Any trade-in deduction must be taken before taking this 50% deduction.

Biomass-Related Equipment Deductions

The value of biomass boiler, gasifier, furnace, turbine-generator, storage facility, feedstock processing or drying equipment, feedstock trailer or interconnection transformer may be deducted in computing the compensating tax due (Section 7-9-98(A) NMSA 1978).

The value of biomass materials used for processing into biopower, biofuels or biobased products may be deducted in computing the compensating tax due (Section 7-9-98(B) NMSA 1978).

Electric Transmission and Storage Facility Deduction

The value of equipment installed as part of an electric transmission facility or an interconnected storage facility acquired by the New Mexico Renewable Energy Transmission Authority may be deducted in computing compensating tax due (Section 7-9-102 NMSA 1978).

Fuel Deductions

From July 1, 2003, through June 30, 2017, 55% of the value of jet fuel prepared and sold for use in turboprop or jet engines may be deducted from the total value before computing compensating tax due. After June 30, 1017, 40% of the value of jet fuel prepared and sold for use in turboprop or jet engines may be deducted from the total value before computing compensating tax due (Section 7-9-84 NMSA 1978).

The value of fuel to be loaded or used by a common carrier in a locomotive engine may be deducted in computing the compensating tax due.

Government Deduction

The value of tangible personal property that is removed from inventory and contributed to a U.S. or New Mexico governmental entity or the governing body of an Indian nation, tribe or pueblo for use on an Indian reservation or pueblo grant may be deducted in computing the compensating tax due (Section 7-9-91(B) and (C) NMSA 1978).

Leasing Deduction

The value of tangible personal property held for lease by a person engaged in the business of selling or leasing the same type of property may be deducted before computing compensating tax due (Section 7-9-78 NMSA 1978), with three exceptions:

1) the value of furniture or appliances furnished as part of a leased or rented dwelling by the lessor may not be deducted;
2) coin-operated machines may not be deducted;
3) manufactured homes may not be deducted.

To be eligible for the leasing deduction, three requirements must be met:

1) the person must be engaged in a business that derives a substantial portion of its receipts from leasing or selling tangible personal property of the type leased;
2) the person cannot use the tangible personal property in any manner other than holding it for lease or sale in the ordinary course of business; and
3) the person cannot use the tangible personal property in a manner incidental to the performance of the service.

Nonprofit Organization Deduction
The value of tangible personal property that is removed from inventory and contributed to 501(c)(3) organizations, may be deducted in computing the compensating tax due (Section 7-9-91(A) NMSA 1978).

Space-Related Test Article Deductions
The value of space-related test articles used in New Mexico exclusively for research or testing, placing on public display after research or testing or storage for future research, testing or public display, may be deducted in computing compensating tax due (Section 7-9-54.4(A) NMSA 1978).

The value of equipment and materials used in New Mexico for research or testing, or for supporting the research or testing of space-related test articles or for storage of such equipment or materials for research or testing, or supporting the research and testing of space-related test articles may be deducted in computing compensating tax due (Section 7-9-54.4(B) NMSA 1978).

Test Article Deduction
The value of test articles upon which research and testing is conducted in New Mexico pursuant to a contract with the United States Department of Defense may be deducted in computing the compensating tax due (Section 7-9-54.5 NMSA 1978). This deduction does not apply to property purchased by a prime contractor operating a national laboratory.

Trade-in Allowance Deduction
The value of the allowance given to a buyer for the trade-in of the same type of tangible personal property being purchased may be deducted from the value of the property sold before computing compensating tax due (Section 7-9-77(B) NMSA 1978).

Uranium Enrichment Plant Deduction
The value of equipment and replacement parts used to enrich uranium in a uranium enrichment plant may be deducted in computing the compensating tax due (Section 7-9-78.1 NMSA 1978).

CREDITS AGAINST COMPENSATING TAX

The credits below may be applied against compensating tax. For more information on compensating tax credits or other tax credits, refer to the FYI-106 Claiming Business-Related Tax Credits for Individuals and Business available on our web site at http://www.tax.newmexico.gov/forms-publications.aspx.

Tax Paid to Another State Credit
This credit essentially ensures that New Mexico compensating tax is not paid on property for which similar tax has already been paid to another state (Section 7-9-79 NMSA 1978). A similar credit exists for services taxed by another state (Section 7-9-79.1 NMSA 1978).

Advanced Energy Tax Credit
Taxpayers who hold an interest in a qualified generating facility with expenditures for the development and construction of a qualified new solar thermal electric generating facility or a new

or re-powered coal-based electric generating unit and an associated coal gasification facility may claim a credit against compensating tax, gross receipts tax or withholding tax (Section 7-9G-2 NMSA 1978).

Affordable Housing Tax Credit
Persons who have received vouchers from the Mortgage Finance Authority (MFA) because they invested in affordable housing projects can claim the affordable housing tax credit (Sections 7-9I-1 through 6 NMSA 1978). The vouchers, good for up to 50% of the investment, may be sold or transferred. After receiving the vouchers from MFA, the taxpayer may apply them for credit against gross receipts (less local option gross receipts taxes), compensating, withholding, personal income, corporate income, E911 and TRS tax liabilities and carry unused credits forward for five years.

Alternative Energy Products Manufacturing Tax Credit
Taxpayers who produce advanced energy products may claim a credit against compensating tax for their spending on manufacturing equipment used in a manufacturing operation that produces "advanced energy products" (Sections 7-9J-1 through 8 NMSA 1978). Advanced energy products are defined as vehicles powered by advanced energy sources, fuel-cell systems, renewable-energy systems and any components of these as well as components of integrated gasification combined cycle coal facilities and facilities related to the sequestration of carbon from integrated gasification combined cycle coal plants.

Biodiesel Blending Facility Tax Credit
A person who is a rack operator, as defined in the Special Fuels Supplier Tax Act, can claim a compensating tax credit equal to 30 percent of the cost of purchasing or installing biodiesel blending equipment (Section 7-9-79.2 NMSA 1978). The credit cannot exceed $50,000 for equipment installed at one facility.

Construction Credit
A person in the construction business who owes gross receipts tax on the sale of a construction project may take this credit against the gross receipts tax due for compensating tax already paid on the project (Section 7-9-79(B) NMSA 1978).

High-Wage Jobs Tax Credit
Employers who create high-wage jobs in New Mexico may apply for tax credit against compensating tax, gross receipts tax and withholding tax, E911, TRS or ITGRT liabilities if they meet the qualifications (Section 7-9G-1 NMSA 1978).

Investment Credit
Taxpayers who incorporate qualified equipment into a New Mexico manufacturing operation and meet a sliding-scale job creation requirement may claim credit against compensating tax, gross receipts tax or withholding tax (Section 7-9A-1 NMSA 1978).

Research and Development Small Business Tax Credit
For reporting periods July 1, 2005, through June 30, 2009, and from July 1, 2011, through June 30, 2015, qualified research and development small businesses may claim a credit equal to the sum of all gross receipts 50% of withholding taxes paid on behalf of employees or owners with no more than 5% ownership, that are owed to New Mexico for the report period in which the business qualifies for the credit (Sections 7-9H-1 through 6 NMSA 1978). A qualified research and development small business is a corporation, general partnership or similar entity with fewer than 25 employees, revenues less than $5 million per year and qualified research expenditures equal to 20% of total expenditures in the year the credit is claimed.

Rural Job Tax Credit

Eligible employers may earn the rural job tax credit for each qualifying job created after July 1, 2000, applying it to gross receipts tax (less local option gross receipts taxes), compensating tax and withholding tax, or to corporate or personal income tax (Section 7-2E-1.1 NMSA 1978). An eligible employer is one whom the Economic Development Department has approved for Job Training Incentive Program (JTIP) assistance. A qualifying job means a job filled by an eligible employee for 48 weeks in a 12-month qualifying period.

Technology Jobs Tax Credit

A taxpayer who conducts qualified research and development at a facility in New Mexico – except at a facility operated for the U.S. government – may claim a basic credit equal to 4% of qualified expenditures (Sections 7-9F-1 through 12 NMSA 1978). The 4% credit doubles when the qualified facility is in a rural area. A taxpayer may qualify for an additional 4% credit toward income tax liability by raising its in-state payroll $75,000 for every $1 million in qualified expenditures claimed. The minimum is $75,000. This credit also doubles if the qualified facility is in a rural area.

EXAMPLES: DETERMINING WHEN COMPENSATING TAX IS DUE

Examples 1 through 5 reflect the first type of transaction described on page 2, when goods that are purchased from a seller outside New Mexico or by mail in a transaction finalized in New Mexico, for use in New Mexico, would have been subject to gross receipts tax had the seller had nexus with New Mexico.

Example 1. A New Mexico pizza parlor purchases pizza ovens from a supplier in Michigan in a transaction that is not subject to New Mexico gross receipts tax because the seller does not have nexus with New Mexico.

> Because no gross receipts tax exemption or deduction would have been available to the seller had his business had nexus with New Mexico, and the sale would have been subject to New Mexico gross receipts tax, the pizza parlor becomes liable for compensating tax. When the ovens enter New Mexico for use in the pizza parlor, compensating tax is due on the value of the pizza ovens and any freight, delivery and handling charges included in the seller's billing.

Example 2. A New Mexico accountant purchases a computer for business use from a vendor online. The vendor is located outside the state of New Mexico and does not charge customers sales tax because it does not have nexus with the state.

> The accountant is liable for the compensating tax on the value of the computer because the computer is used in New Mexico. Had the seller had nexus with New Mexico, the transaction would have been subject to gross receipts tax, since no gross receipts tax exemption or deduction would have applied to the sale.

Example 3. A new restaurant/bar in New Mexico purchases hats and T-shirts from a factory in California. The restaurant will give away these hats and T-shirts as promotional items to the first 100 people to enter the restaurant. No purchase is required to receive a hat or T-shirt. The factory did not charge California tax on the hats and T-shirts to the New Mexico restaurant.

> The restaurant is liable for the compensating tax on the value of the hats and shirts because the property is used in New Mexico. Because there is no concurrent purchase required, the items are not being resold in combination with other goods.

Example 4. An attorney subscribes to law journals and trade publications published outside New Mexico to use in the practice of law in New Mexico. Because it does not have nexus with New Mexico, the publisher is not subject to New Mexico gross receipts tax.

> The sales of the publications are finalized in New Mexico when they are delivered to the attorney. Had the publisher had nexus with New Mexico, the gross receipts from its sales of publications delivered to the attorney would have been subject to gross receipts tax, since no exemption or deduction would have been applicable to the receipts from the sales. The attorney is liable for compensating tax on the value of the law journals and trade publications.

Example 5 illustrates a business' responsibility as agent for collection of compensating tax.

Example 5. A Texas furniture company ("company") sells to New Mexico businesses and individuals both at its retail location in El Paso and through salespeople who promote sales of its office furniture line by calling on New Mexico businesses. All deliveries are made via common carrier F.O.B. Texas.

> The company is an agent for collection of compensating tax on its sales to New Mexico customers for three reasons: 1) the company regularly solicits sales in New Mexico through its salespeople; 2) the company is selling property for use in New Mexico and, 3) the sale of the furniture is not subject to the gross receipts tax because the seller does not have nexus with New Mexico.

EXAMPLES: REPORTING LOCATION FOR COMPENSATING TAX

Example 1. A business acquires tangible personal property in a transaction with a person that lacks nexus in New Mexico. The business uses the property in a manner that would have rendered the transaction subject to the gross receipts tax, had the person had nexus.

> The reporting location for purposes of reporting the compensating tax is the reporting location to which the gross receipts would have been reported by the seller if the seller had had nexus and assuming, for this purpose, that the person would have had information on the location of the business that acquired the property.

Example 2. A business with offices both inside and outside New Mexico purchases tangible personal property at its office outside the state and later ships that property to its New Mexico office for use. The use of the property in New Mexico was such that the property would have been subject to the gross receipts tax had it been acquired in New Mexico.

> The reporting location for purposes of reporting the compensating tax is the office in New Mexico at which the property is first used.

Example 3. A business purchases tangible personal property for resale from a New Mexico seller and takes delivery of that property at the seller's place of business in Location X, using a nontaxable transaction certificate to purchase the property tax-free. Subsequent to the purchase, the business uses the property, rather than reselling it, at its own place of business in Location Y.

> The reporting location for purposes of reporting the compensating tax is Location Y.

Example 4. A business with offices both inside and outside New Mexico obtains a license to use digital goods which will be used at its offices inside and outside the state. In the transaction with the provider of the license, the provider knows only the purchaser's out-of-state office and conducts the transaction with that office.

> The reporting location for the portion of the value of the license used in New Mexico is the location of the office in New Mexico.

Example 5. A business purchases a service from an out-of-state person who lacks nexus in New Mexico. The product of the service is initially used in New Mexico.

> The reporting location of the value of the service for purpose of compensating tax is

the location of the initial use by the business in New Mexico.

Example 6. A nonresident individual with a place of abode in New Mexico purchases tangible personal property for use in New Mexico from a seller who lacks nexus in New Mexico. The transaction would not otherwise be exempt or deductible from gross receipts tax had it occurred in New Mexico.

The reporting location of the compensating tax owed by the individual is that individual's place of abode.

TAXPAYER INFORMATION

General Information. FYIs and Bulletins present general information with minimum technical language. All FYIs and Bulletins are free of charge and available through all local tax offices and on the Taxation and Revenue Department's website at http://www.tax.newmexico.gov/forms-publications.aspx

Regulations. The Department establishes regulations to interpret and exemplify the various tax acts it administers. Current statutes with regulations can be located on the Departments website for free at http://www.tax.newmexico.gov/statutes-with-regulations.aspx. Specific regulations are also available at the State Records Center and Archives or on its web page at http://www.srca.nm.gov/

The Taxation and Revenue Department regulation book is available for purchase from the New Mexico Compilation Commission. Order regulation books directly from the New Mexico Compilation Commission at https://www.nmcompcomm.us/

Rulings. Rulings signed by the Secretary and approved by the Attorney General are written statements that apply to one or a small number of taxpayers. A taxpayer may request a ruling (at no charge) to clarify its tax liability or responsibility under specific circumstances. The Department will not issue a ruling to a taxpayer who is undergoing an audit, who has an outstanding assessment, or who is involved in a protest or litigation with the Department over the subject matter of the request. The Department's rulings are compiled and available on free of charge at http://www.tax.newmexico.gov/rulings.aspx.

The request for a ruling must be in writing, include accurate taxpayer identification and the details about the taxpayer's situation, and be addressed to the Secretary of the Taxation and Revenue Department at P.O. Box 630, Santa Fe, NM 87504-0630. The taxpayer's representative, such as an accountant or attorney, may request a ruling on behalf of the taxpayer but must disclose the name of the taxpayer. While the Department is not required to issue a ruling when requested to do so, every request is carefully considered.

The Secretary may modify or withdraw any previously issued ruling and is required to withdraw or modify any ruling when subsequent legislation, regulations, final court decisions or other rulings invalidate a ruling or portions of a ruling.

Public Decisions & Orders. All public decisions and orders issued since July 1994 are compiled and available on the Department's web page free of charge at http://www.tax.newmexico.gov/tax-decisions-orders.aspx.

This publication provides general information. It does not constitute a regulation, ruling, or decision issued by the Secretary of the New Mexico Taxation and Revenue Department. The Department is legally bound only by a regulation or a ruling [7-1-60, New Mexico Statutes Annotated, 1978]. In the event of a conflict between FYI and statute, regulation, case law or policy, the information in FYIs is overridden by statutes, regulations and case law. Taxpayers and preparers are responsible for being aware of New Mexico tax laws and rules. Consult the Department directly if you have questions or concerns about information provided in this FYI.

FOR FURTHER ASSISTANCE

Tax District Field Offices and the Department's call center can provide full service and general information about the Department's taxes, taxpayer access point, programs, classes, and forms. Information specific to your filing situation, payment plans and delinquent accounts.

TAX DISTRICT FIELD OFFICES

ALBUQUERQUE
10500 Copper Pointe Avenue NE
Albuquerque, NM 87123

SANTA FE
Manuel Lujan Sr. Bldg.
1200 S. St. Francis Dr.
Santa Fe, NM 87504

FARMINGTON
3501 E. Main St., Suite N
Farmington, NM 87499

LAS CRUCES
2540 S. El Paseo Bldg. #2
Las Cruces, NM 88004

ROSWELL
400 Pennsylvania Ave., Suite 200
Roswell, NM 8820

For forms and instructions visit the Department's web site at http://www.tax.newmexico.gov

Call Center Number:
1-866-285-2996

If faxing something to a tax district field office, please fax to:

Call Center Fax Number:
1-505-841-6327

If mailing information to a tax district field office, please mail to:

Taxation and Revenue Department
P.O. Box 8485
Albuquerque, NM 87198-8485

For additional contact information please visit the Department's website at
http://www.tax.newmexico.gov/contact-us.aspx

This information is as accurate as possible as of the date specified on the publication. Subsequent legislation, new state regulations and case law may affect its accuracy. For the latest information please check the Taxation and Revenue Department's web site at www.tax.newmexico.gov.

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