

Media Contact: Charlie Moore
Charlie.Moore@tax.nm.gov
(505) 670-5406

October 25, 2023

Tax and Rev brings cannabis businesses into tax compliance
80 license holders file Gross Receipts, Cannabis Excise Taxes after receiving notices

SANTA FE — The Taxation and Revenue Department this summer began contacting cannabis retail license holders who had failed to file one or more tax returns since registering with the Department.

Adult use recreational cannabis sales are subject to both Gross Receipts Tax (GRT) and Cannabis Excise Tax and retailers must be in good standing with taxes to renew their licenses with the Regulation and Licensing Department.

Since the effort began, 80 retailers have come into compliance on their tax filings.

The Department works closely with the Regulation and Licensing Department to compare active cannabis license holders with other data sources to ensure compliance.

More than 100 license holders have not yet complied, though in some cases, one operator may hold multiple licenses for different locations. Tax and Rev is working with the Regulation and Licensing Department to confirm which license holders are actually operating, and both agencies may perform in person compliance checks.

“Cannabis is a relatively new industry with many new players who may be struggling to get their businesses up and running,” said Taxation and Revenue Secretary Stephanie Schardin Clarke. “We are here to assist taxpayers to voluntarily comply with the tax law, but cannabis retailers must also make a good faith effort to comply.”

Once cannabis businesses are registered with the Department, they are required to file GRT and cannabis excise tax returns, even if they have no sales.

Taxation and Revenue is committed to helping taxpayers come into compliance. That can include offering managed audits, a voluntary program to help taxpayers resolve tax debts, and payment plans.

More information about managed audits is available [in publication FYI 404](#). The publication can be found the publications folder on the Forms & Publications page of tax.newmexico.gov.

Payment plans can be established using the [Taxpayer Access Point](#) self-service portal at tax.newmexico.gov.

Through September 2023, the Department has distributed more than \$47 million in Cannabis Excise Tax revenue to the State general fund and to local governments. Payments from the 80 taxpayers who have come into compliance in recent months will result in larger distributions in coming months.

###

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.

Connect with us on tax.newmexico.gov, LinkedIn, YouTube and Twitter @NM_MVD