

Indirect/Sales/Use:

New Mexico: New Law Provides Gross Receipts Tax Deduction on Sales of Some Services to Manufacturers

H.B. 163, signed by gov. 3/8/22. N.M. Tax. & Rev. Dept. (rev. 1/22). Effective July 1, 2022, new law provides that receipts from selling certain defined “professional services” may be deducted from gross receipts or from governmental gross receipts for New Mexico gross receipts tax (GRT) purposes when such sale is made to a person engaged in the business of manufacturing who delivers a nontaxable transaction certificate to the seller or provides similar alternative evidence under state law. For such purposes, the professional services “shall be related to the product that the buyer is in the business of manufacturing.” Under the new law, “professional services” includes defined accounting services, architectural services, engineering services, information technology services and legal services. Please contact us with any questions.

URL: <https://www.nmlegis.gov/Legislation/Legislation?Chamber=H&LegType=B&LegNo=163&year=22>

— Scott Schiefelbein (Portland)
Managing Director
Deloitte Tax LLP
sschiefelbein@deloitte.com

Metisse Lutz (Denver)
Senior Manager
Deloitte Tax LLP
mlutz@deloitte.com

Cindy James (Phoenix)
Senior Manager
Deloitte Tax LLP
cyjames@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.