

## Sales/Use/Indirect:

### New Mexico: Updated Guidance Reflects New GRT Deduction on Sales of Some Services to Manufacturers

*FYI-275: Deductions for Certain Sales to Manufacturers*, N.M. Tax. & Rev. Dept. (rev. 7/22). Updated guidance issued by the New Mexico Taxation and Revenue Department reflects legislation enacted earlier this year [see H.B. 163 (2022), and *State Tax Matters*, Issue 2022-11, for more details on this new law] providing 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 (NTTC) to the seller or provides similar alternative evidence under state law. The professional services being provided must be related to the product that the buyer is in the business of manufacturing. For purposes of this deduction, “professional services” means accounting services, architectural services, engineering services, information technology services and legal services, as those services are defined in the statute. Please contact us with any questions.

**URL:** [https://klvg4oyd4j.execute-api.us-west-](https://klvg4oyd4j.execute-api.us-west-2.amazonaws.com/prod/PublicFiles/34821a9573ca43e7b06dfad20f5183fd/e7372537-670b-44fa-a246-0fc53120bf64/FYI-275.pdf)

[2.amazonaws.com/prod/PublicFiles/34821a9573ca43e7b06dfad20f5183fd/e7372537-670b-44fa-a246-0fc53120bf64/FYI-275.pdf](https://klvg4oyd4j.execute-api.us-west-2.amazonaws.com/prod/PublicFiles/34821a9573ca43e7b06dfad20f5183fd/e7372537-670b-44fa-a246-0fc53120bf64/FYI-275.pdf)

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

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220318\\_3.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220318_3.html)

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