

Sales/Use/Indirect:

New Mexico: Out-of-State Recruiting and Staffing Company Deemed Subject to Gross Receipts Taxation

Case No. 19.03-027A, D&O 23 – 09, N.M. Administrative Hearings Office (4/7/23). The New Mexico Administrative Hearings Office (AHO) held that an out-of-state company providing medical professional staffing services to medical facilities in New Mexico was engaged in in-state business and thus subject to New Mexico gross receipts tax because even though the company performed its recruitment services outside New Mexico, in-state medical facilities paid the company to have the individuals perform work for them in New Mexico and thus the company's receipts were considered derived from performing in-state services. Moreover, the AHO rejected the company's claim that it was in an agency relationship with the in-state medical facilities and therefore entitled to deduct the compensation it received from them and paid to the medical professionals as expense reimbursements. Please contact us with any questions.

URL: <https://www.tax.newmexico.gov/all-nm-taxes/wp-content/uploads/sites/9/2023/04/23-09-Vista-Staffing-Solutions.pdf>

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