

Partial List of NM Gross Receipts Tax & Sales Tax Exemptions
New Mexico Taxation and Revenue Department

http://www.tax.newmexico.gov/SiteCollectionDocuments/Publications/FYI-Publications/FYI105_GROSS%20RECEIPTS%20and%20COMPENSATING%20TAXES%20-%20AN%20OVERVIEW%202009.pdf

The following receipts are exempt from the NM gross receipts tax & sales tax:

Agricultural Exemptions

1. Receipts from selling livestock and the receipts of growers, producers and trappers from selling live poultry, unprocessed agricultural products (for example, a bale of hay, a head of lettuce or an unroasted sack of green chili), hides or pelts (7-9-18).

Exception: receipts from selling dairy products at retail are not exempt.
NOTE: this exemption also applies to governmental gross receipts tax.

2. Receipts of persons from feeding or pasturing livestock (7-9-19).
Example: penning, handling or training livestock.

Athletic Facility Surcharge Exemption

Receipts of a university from an athletic facility surcharge imposed pursuant to the University Athletic Facility Funding Act (7-9-41.1).

Disabled Street Vendor Exemption

Receipts of disabled street vendors from the sale of goods (7-9-41.3).

Food Stamp Exemption

Receipts of retailers from the redemption of food stamps (7-9-18.1).

Governmental Entity Exemptions

1. Receipts of the federal government, State of New Mexico, or any Indian nation, tribe or pueblo from activities or transactions occurring on its sovereign territory, or any agency or political subdivision of the New Mexico Taxation and Revenue Department foregoing;

For example: New Mexico cities, counties and public schools. Receipts of any foreign nation are exempt when exemption is required by a treaty to which the United States is a party (7-9-13).

Exception: receipts of political subdivisions of the state from owning or operating a gas or electric utility or a municipal cable television system are not exempt.

NOTE: certain receipts of the state and its subdivisions may be subject to governmental gross receipts tax (see page 2).

2. Receipts of instrumentalities of the armed forces of the United States (7-9-31).

Example: receipts of base exchanges or post exchanges.

Exception: receipts of a concessionaire operating on a military base or federal area are not exempt.

3. Sales to Indian nations, tribes, or pueblos, or to their members, are exempt if the transaction takes place on the tribe's territory (see "Federal Preemption" on page 8).

Insurance Company and Bail Bondsman Exemption

Receipts of insurance companies or their agents from premiums and receipts of property bondsmen from security for a bail bond (7-9-24).

Interest and Dividend Exemption

Interest on money loaned or deposited; dividends or interest from stocks, bonds or securities; and receipts from the sale of stocks, bonds or securities (7-9-25).

Interstate Telecommunications Services Exemption

Receipts from selling or providing interstate telecommunications services (7-9-38.1).

NOTE: these services are subject to the interstate telecommunications gross receipts tax.

Isolated or Occasional Sale Exemption

Receipts from the isolated or occasional sale or leasing of property or service by a person who is not in the business of selling or leasing the same or similar property or service (7-9-28).

Mobile Telecommunications Services Exemption

Receipts of a home service provider from providing mobile telecommunications services to persons whose place of primary use is outside New Mexico, regardless of where the mobile telecommunications services originate, terminate or pass through (7-9-38.2).

Municipal Event Center Surcharge Exemption

Receipts from selling tickets, parking, souvenirs, concessions, programs, advertising, merchandises, corporate suites or boxes, broadcast revenues and all other products or services sold at or related to a municipal event center on which an event center surcharge is imposed pursuant to the Municipal Event - Center Funding Act (7-9-13.5).

Nonprofit Organization Exemptions

1. Receipts of nonprofit entities from operating facilities designed and used for providing accommodations for retired elderly persons (7-9-16). New Mexico Taxation and Revenue Department

2. Receipts of 501(c)(3) organizations and receipts of 501(c)(6) organizations from conducting chamber of commerce, visitor bureau and convention bureau activities (7-9-29).

Exception: receipts from an unrelated trade or business are taxable.

3. Receipts from dues and registration fees of nonprofit social, fraternal, political, trade, labor or professional organizations and business leagues (7-9-39).

NOTE: 501(c)(4) civic leagues, civic organizations and social welfare organizations are social organizations and included in this exemption.

4. Receipts of a minister of a 501(c)(3) religious organization from performing religious services (7-9-41).

5. Receipts of homeowners' associations from membership fees, dues and assessments from owner-members to be used for tax, insurance and maintenance expenses for commonly owned areas and facilities (7-9-20).

Oil, Natural Gas and Mineral Exemptions

1. Oil, natural gas or liquid hydrocarbons and helium and other non-hydrogen gases subject to the Oil and Gas Emergency School Tax Act that are sold for resale, for consumption outside New Mexico or for use as an ingredient or component part of a manufactured product (7-9-33).

2. Natural gas or liquid hydrocarbons and helium and other non-hydrogen gases subject to the Natural Gas Processors Tax Act that are sold for resale, for consumption outside New Mexico or for use as an ingredient or component part of a manufactured product (7-9-34).

3. Natural resources subject to the Resources Excise Tax Act that are sold for resale or for use as an ingredient or component part of a manufactured product (7-9-35).

4. Receipts from the sale or lease of oil, natural gas or mineral interests (7-9-32).

5. Receipts from the sale of oil, natural gas or liquid hydrocarbons consumed as fuel in the pipeline transportation of such products (7-9-36).

Out-of-State Services Exemption

Receipts from services performed outside the state when the product of the service is initially used in New Mexico (7-9-13.1).

Exception: receipts from performing a research and development service are not exempt unless the service is: sold between affiliated corporations; sold to the United States government by operators of national laboratories (other than 501(c)(3) organizations); or sold to persons (other than 501(c)(3) organizations) operating national laboratories.

Racetrack Exemption

Receipts of horsemen, jockeys and trainers from race purses at New Mexico horse racetracks and receipts of racetracks from gross amounts wagered (7-9-40).

School Event Services Exemption

Receipts from refereeing, umpiring, scoring or other officiating at school events sanctioned by the New Mexico Activities Association (7-9-41.4). New Mexico Taxation and Revenue Department

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Stadium Exemption

Receipts from selling tickets, parking, souvenirs, concessions, programs, advertising merchandise, corporate suites or boxes, broadcast revenues and all other products, services or activities sold at, related to or occurring at a minor league baseball stadium on which a stadium surcharge is imposed under the Minor League Baseball Stadium Funding Act (7-9-13.3).

Textbook Exemption

Receipts of certain bookstores from selling textbooks and other materials required for courses at a public post-secondary educational institution to a student enrolled at the institution (7-9-13.4).

Requirement: bookstore must be located on the campus of the institution and operated by contract with the institution.

Requirement: the student must present a valid student identification card.

Vehicle, Boat and Fuel Exemptions

1. Receipts from selling vehicles subject to the motor vehicle excise tax and vehicles exempt from the motor vehicle excise tax pursuant to Section 7-14-6 NMSA 1978 (7-9-22).

Exception: the sale of manufactured homes is subject to tax.

2. Receipts from selling boats subject to the boat excise tax (7-9-22.1).

3. Receipts from sales of gasoline, special fuel or alternative fuel on which the gasoline, special fuel excise or alternative fuel excise tax has been paid and not refunded (7-9-26).

4. Receipts from selling fuel, oxidizer or a substance that combines fuel and oxidizer to propel space vehicles or to operate vehicle launchers (7-9-26.1).

Wage Exemption

Receipts of employees from wages and salaries (7-9-17).

NOTE: commissions received as an employee are also exempt.