

**NOTICE OF PROPOSED RULEMAKING AND PUBLIC RULE HEARING**

The New Mexico Taxation and Revenue Department hereby gives notice as required under Section 14-4-5.2 NMSA 1978 and 1.24.25.11 NMAC that it proposes to repeal and replace a rule on gross receipts tax and services as authorized by Section 9-11-6.2 NMSA 1978:

**Summary of Proposed Changes:**

The New Mexico Taxation and Revenue Department proposes to repeal and replace the following rule:

**Gross Receipts and Compensating Tax Act, Section 7-9-3.5 NMSA 1978**

3.2.1.18 NMAC - Gross Receipts; Services

The New Mexico Taxation and Revenue Department proposes to enact the following rules:

**Gross Receipts and Compensating Tax Act, Section 7-9-3.5 NMSA 1978**

[NEW] 3.2.1.21 NMAC - Tax on Gross Receipts from Services Performed Outside the State

[NEW] 3.2.1.23 NMAC - "Performance of a service," "product of the service," "initial use", and "delivery"; presumptions

**Gross Receipts and Compensating Tax Act, Section 7-9-79.1 NMSA 1978**

[NEW] 3.2.300.9 NMAC - Credit for Tax Paid on Services Performed Outside the State

The New Mexico Taxation and Revenue Department proposes to repeal the following rules:

**Gross Receipts and Compensating Tax Act, Section 7-9-57 NMSA 1978**

3.2.215.11 NMAC - Product of Service Which is Reviewed and Accepted Outside of New Mexico but Initially Used in New Mexico

3.2.215.12 NMAC - General Examples

**Technical Information:** No technical information was consulted in drafting these proposed rule changes.

**Purpose of Proposed Rule:** The proposed rule is repealed and replaced to align with current law and provide guidance on the applicability of gross receipts tax on receipts from certain services.

**Notice of Public Rule Hearing:** A public hearing will be held on the proposed rule changes on August 10, 2021 at 10:00AM through the internet, email, and telephonic means in response to concerns surrounding COVID-19 and in accordance with Executive Order 2020-004, Declaration of a Public Health Emergency, and the March 12, 2020 Public Health Emergency Order to Limit Mass Gatherings Due to COVID-19.

The Public Hearing will be accessible via WebEx <https://nm-tax.webex.com/nm-tax/j.php?MTID=m89c40dd3456122210f5483dfb3e9d5b2>. Meeting number (access code): 132 352 6577 Meeting password: 08102021 or by telephone by dialing 1-844-621-3956. Any oral comments made during this hearing will be recorded and any electronic written comments can be submitted during the hearing at [policy.office@state.nm.us](mailto:policy.office@state.nm.us).

The proposals were placed on file in the Office of the Secretary on July 2, 2021. Pursuant to Regulation 3.1.2.9 NMAC under Section 9-11-6.2 NMSA 1978 of the Taxation and Revenue Department Act, the final of the proposals, if filed, will be filed as required by law on or about August 26, 2021.

Individuals with disabilities who need any form of auxiliary aid to attend or participate in the public hearing are asked to contact Alicia Romero at [alicia.romero@state.nm.us](mailto:alicia.romero@state.nm.us). The Taxation and Revenue Department will make every effort to accommodate all reasonable requests but cannot guarantee accommodation of a request that is not received at least ten calendar days prior to the scheduled hearing.

Copies of the proposed rules may be found at <https://www.tax.newmexico.gov/all-nm-taxes/proposed-regulations-hearing-notices/> or are available upon request by contacting the Tax Policy Office at [policy.office@state.nm.us](mailto:policy.office@state.nm.us).

**Notice of Acceptance of Written Public Comment:** Written comments on the proposals can be submitted by email to [policy.office@state.nm.us](mailto:policy.office@state.nm.us) or by mail to the Taxation and Revenue Department, Tax Information and Policy Office, Post Office Box 630, Santa Fe, New Mexico 87504-0630 on or before August 10, 2021 at 5:00 PM. All written comments received by the agency will be posted on [www.tax.newmexico.gov](http://www.tax.newmexico.gov) no more than 3 business days following receipt to allow for public review.