

**TITLE 3            TAXATION**  
**CHAPTER 2       GROSS RECEIPTS TAXES**  
**PART 103        EXEMPTION - COMPENSATING TAX - CERTAIN ORGANIZATIONS**

**3.2.103.1           ISSUING AGENCY:** Taxation and Revenue Department, Joseph M. Montoya Building, 1100 South St. Francis Drive, P.O. Box 630, Santa Fe NM 87504-0630.

[3.2.103.1 NMAC - N, 1/15/15]

**3.2.103.2           SCOPE:** This part applies to each person engaging in business in New Mexico.

[3.2.103.2 NMAC - N, 1/15/15]

**3.2.103.3           STATUTORY AUTHORITY:** Section 9-11-6.2 NMSA 1978.

[3.2.103.3 NMAC - N, 1/15/15]

**3.2.103.4           DURATION:** Permanent.

[3.2.103.4 NMAC - N, 1/15/15]

**3.2.103.5           EFFECTIVE DATE:** January 15, 2015, unless a later date is cited at the end of a section.

[3.2.103.5 NMAC - N, 1/15/15]

**3.2.103.6           OBJECTIVE:** The objective of this part is to interpret, exemplify, implement and enforce the provisions of the Gross Receipts and Compensating Tax Act.

[3.2.103.6 NMAC - N, 1/15/15]

**3.2.103.7           DEFINITIONS:** [Reserved]

[3.2.103.7 NMAC - N, 1/15/15]

**3.2.103.8           SINGLE MEMBER LIMITED LIABILITY COMPANY WHOSE SOLE MEMBER IS A 501(c)(3) ORGANIZATION:**

**A.**        A single member limited liability company (llc) whose sole member is a 501(c)(3) organization will be treated like a 501(c)(3) organization and receive the same treatment for purposes of Section 7-9-15 NMSA 1978 so long as the llc is recognized by the internal revenue service as a disregarded entity for federal income tax purposes.

**B.**        An llc described in Subsection A above that uses the property in the conduct of an unrelated trade or business as defined in Section 513 of the Internal Revenue Code of 1986, as amended or renumbered, is not exempt pursuant to Section 7-9-15 NMSA 1978.

[3.2.103.8 NMAC - N, 1/15/15]

**HISTORY OF 3.2.103 NMAC:** [RESERVED]