

**TITLE 3: TAXATION**  
**CHAPTER 2: GROSS RECEIPTS TAXES**  
**PART 109: EXEMPTION - GROSS RECEIPTS TAX - VEHICLES**

**3.2.109.1 ISSUING AGENCY:** Taxation and Revenue Department, Joseph M. Montoya Building, 1100 South St. Francis Drive, P.O. Box 630, Santa Fe NM 87504-0630  
[11/15/96; 3.2.109.1 NMAC - Rn, 3 NMAC 2.22.1.1, 3/14/01]

**3.2.109.2 SCOPE:** This part applies to each person engaging in business in New Mexico and selling vehicles.  
[11/15/96; 3.2.109.2 NMAC - Rn, 3 NMAC 2.22.1.2, 3/14/01]

**3.2.109.3 STATUTORY AUTHORITY:** Section 9-11-6.2 NMSA 1978.  
[11/15/96; 3.2.109.3 NMAC - Rn, 3 NMAC 2.22.1.3, 3/14/01]

**3.2.109.4 DURATION:** Permanent.  
[11/15/96; 3.2.109.4 NMAC - Rn, 3 NMAC 2.22.1.4, 3/14/01]

**3.2.109.5 EFFECTIVE DATE:** 11/15/96, unless a later date is cited at the end of a section, in which case the later date is the effective date.  
[11/15/96; 3.2.109.5 NMAC - Rn, 3 NMAC 2.22.1.5 & A, 3/14/01]

**3.2.109.6 OBJECTIVE:** The objective of this part is to interpret, exemplify, implement and enforce the provisions of the Gross Receipts and Compensating Tax Act.  
[11/15/96; 3.2.109.6 NMAC - Rn, 3 NMAC 2.22.1.6, 3/14/01]

**3.2.109.7 DEFINITIONS:** Reserved.  
[11/15/96; 3.2.109.7 NMAC - Rn, 3 NMAC 2.22.1.7, 3/14/01]

**3.2.109.8 MOTOR VEHICLE EXCISE TAX:**

A. The receipts from the sale of a vehicle of a type excepted from registration under Section 66-3-1 NMSA 1978 are not subject to any taxes imposed upon the issuance of a certificate of title under the Motor Vehicle Excise Tax Act and are therefore subject to gross receipts tax.

B. Example: The receipts from the sale of a logging truck used off the highway except for the purpose of crossing the highway from one property to another, are subject to gross receipts tax because there is no tax imposed upon the issuance of a certificate of title for that vehicle under the Motor Vehicle Excise Tax Act since it is exempted from registration in this state under Section 66-3-1 NMSA 1978.  
[12/5/69, 3/9/72, 11/20/72, 3/20/74, 7/26/76, 6/18/79, 4/7/82, 5/4/84, 4/2/86, 11/26/90, 11/15/96; 3.2.109.8 NMAC - Rn, 3 NMAC 2.22.1.8 & A, 3/14/01]

**3.2.109.9 ADDITIONAL EQUIPMENT:**

A. Receipts from the sale of motor vehicle bodies, accessories, equipment and the like, whether sold separately or mounted on the vehicle are not subject to this exemption except where their value is included in computing the tax paid under the Motor Vehicle Excise Tax Act on the sale of a vehicle.

B. Example: M buys a pickup from R Motor Company. Three days after the truck is purchased, M buys a camper attachment for the pickup from R. The value of the camper attachment was not included in computing the tax imposed by the Motor Vehicle Excise Tax Act on the pickup. R's receipts from the sale of the camper are subject to the gross receipts tax.  
[12/5/69, 3/9/72, 11/20/72, 3/20/74, 7/26/76, 6/18/79, 4/7/82, 5/4/84, 4/2/86, 11/26/90, 11/15/96; 3.2.109.9 NMAC - Rn, 3 NMAC 2.22.1.9, 3/14/01]

**3.2.109.10 DISCOUNTING OF VEHICLES SALES CONTRACTS:** The receipts of automobile dealers who sell automobiles and other vehicles subject to registration pursuant to Section 66-3-1 NMSA 1978 which are derived from the sale of financing agreements on such automobiles and vehicles to a bank or financial corporation are not subject to the gross receipts tax because the underlying transaction is exempted from that tax pursuant to

Section 7-9-22 NMSA 1978 and the sale of commercial paper, an intangible, is not subject to the gross receipts tax. [3/9/72, 11/20/72, 3/20/74, 7/26/76, 6/18/79, 4/7/82, 5/4/84, 4/2/86, 11/26/90, 11/15/96; 3.2.109.10 NMAC - Rn & A, 3 NMAC 2.22.1.10, 3/14/01]

**3.2.109.11 MANUFACTURED HOMES:** Receipts from selling manufactured homes are subject to the gross receipts tax. Manufactured homes are exempted from the motor vehicle excise tax by Section 7-14-3 NMSA 1978. [7/26/76, 6/18/79, 4/7/82, 5/4/84, 4/2/86, 11/26/90, 11/15/96; 3.2.109.11 NMAC - Rn, 3 NMAC 2.22.1.11, 3/14/01; A, 12/30/10]

**3.2.109.12 SERVICE CONTRACT SALE PRICE AND TRANSFER FEES ON VEHICLE SALE NOT DEDUCTIBLE AS TAXABLE UNDER MOTOR VEHICLE EXCISE TAX:** Receipts from the sale of automotive service contracts and from charges for transfer services (document fees) are not covered by the exemption provided by Section 7-9-22 NMSA 1978 and shall not be included in computing the tax paid under Section 7-14-4 NMSA 1978 on the sale of the vehicle since the receipts are not “price paid for the vehicle” as required by Section 7-14-4 NMSA 1978. [6/28/89, 11/26/90, 11/15/96; 3.2.109.12 NMAC - Rn, 3 NMAC 2.22.1.12 & A, 3/14/01]

**3.2.109.13 ATVs:** Receipts from selling all-terrain vehicles (ATVs) are receipts from selling vehicles on which a tax is imposed by the Motor Vehicle Excise Tax. Therefore receipts from selling ATVs are exempt from gross receipts. [3.2.109.13 NMAC - N, 3/14/01]

#### **HISTORY OF 3.2.109 NMAC:**

Pre-NMAC History:

BOR 67-2, NM Gross Receipts and Compensating Tax Regulations, September 1967, filed 9/29/67.

BOR 69-4, Regulations in Effect and Pertaining to the New Mexico Gross Receipts and Compensating Tax Act, 12-5-69, filed 12/5/69.

BOR 72-4, Regulations in Effect and Pertaining to the New Mexico Gross Receipts and Compensating Tax Act, 3/9/72, filed 3/9/72.

BOR 74-2, Regulations in Effect and Pertaining to the New Mexico Gross Receipts and Compensating Tax Act, 12/15/73, filed 3/20/74.

BOR 76-1, Regulations in Effect and Pertaining to the New Mexico Gross Receipts and Compensating Tax Act, 7/26/76, filed 7/26/76.

R.D.79-1, Gross Receipts and Compensating Tax Act Regulations, filed 6/18/79.

R.D. Rule No. 82, Regulations Pertaining to the Gross Receipts and Compensating Tax Act, Sections 7-9-1 to 7-9-80.1 NMSA 1978, filed 4/7/82.

R.D. Rule No. 84, Regulations Pertaining to the Gross Receipts and Compensating Tax Act, Sections 7-9-1 to 7-9-80.1 NMSA 1978, filed 5/4/84.

TRD Rule No. 9-86, Regulations Pertaining to the Gross Receipts and Compensating Tax Act, Sections 7-9-1 to 7-9-80.1 NMSA 1978, filed 4/2/86.

TRD Rule GR-90, Regulations Pertaining to the Gross Receipts and Compensating Tax Act, Sections 7-9-1 to 7-9-80.1 NMSA 1978, filed 11/26/90.

History of Repealed Material: [RESERVED]

NMAC History:

3 NMAC 2.22.1, Exemption - Gross Receipts Tax - Vehicles, filed 11/4/96.

3.2.109 NMAC, Exemption - Gross Receipts Tax - Vehicles, filed 3/2/2001.