

TITLE 3: TAXATION
CHAPTER 2: GROSS RECEIPTS TAXES
PART 124: EXEMPTION - GROSS RECEIPTS TAX - OIL AND GAS CONSUMED IN THE PIPELINE TRANSPORTATION OF OIL AND GAS PRODUCTS

3.2.124.1 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; 3.2.124.1 NMAC - Rn, 3 NMAC 2.36.1, 5/15/01]

3.2.124.2 SCOPE: This part applies to each person selling oil and gas products or transporting oil and gas products by pipeline.
[11/15/96; 3.2.124.2 NMAC - Rn, 3 NMAC 2.36.2, 5/15/01]

3.2.124.3 STATUTORY AUTHORITY: Section 9-11-6.2 NMSA 1978.
[11/15/96; 3.2.124.3 NMAC - Rn, 3 NMAC 2.36.3, 5/15/01]

3.2.124.4 DURATION: Permanent.
[11/15/96; 3.2.124.4 NMAC - Rn, 3 NMAC 2.36.4, 5/15/01]

3.2.124.5 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; 3.2.124.5 NMAC - Rn, 3 NMAC 2.36.5 & A, 5/15/01]

3.2.124.6 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; 3.2.124.6 NMAC - Rn, 3 NMAC 2.36.6, 5/15/01]

3.2.124.7 DEFINITIONS: [Reserved.]
[11/15/96; 3.2.124.7 NMAC - Rn, 3 NMAC 2.36.7, 5/15/01]

3.2.124.8 FUEL CONSUMED IN THE OPERATION OF A “PRODUCTION UNIT”: Receipts from the sale of oil, natural gas, liquid hydrocarbon or any combination of these products, including butane and propane, when these products are consumed as fuel in the operation of a “production unit” to lift oil, natural gas, liquid hydrocarbon or any combination thereof from its underground location to the surface, is not the sale of these products to be consumed as fuel in the pipeline transportation of these products. Therefore, receipts from the sale of these products are not exempt from the gross receipts tax pursuant to Section 7-9-36 NMSA 1978. In addition, the use of these products is not exempt from the compensating tax under Section 7-9-37 NMSA 1978. However, the use of these products on the “production unit” on which they were produced is exempt from the provisions of the Gross Receipts and Compensating Tax Act pursuant to Section 7-9-33 NMSA 1978.
[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; 3.2.124.8 NMAC - Rn, 3 NMAC 2.36.8 & A, 5/15/01]

HISTORY OF 3.2.124 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 2.36, Exemption - Gross Receipts Tax - Oil and Gas Consumed in the Pipeline Transportation of Oil and Gas Products, filed 11/4/96.

3.2.124 NMAC, Exemption - Gross Receipts Tax - Oil and Gas Consumed in the Pipeline Transportation of Oil and Gas Products, filed 4/30/2001.