

**TITLE 3: TAXATION**  
**CHAPTER 2: GROSS RECEIPTS TAXES**  
**PART 221: DEDUCTION - GROSS RECEIPTS TAX - PUBLICATION SALES**

**3.2.221.1 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; 3.2.221.1 NMAC - Rn, 3 NMAC 2.63.1, 6/14/01]

**3.2.221.2 SCOPE:** This part applies to each person engaging in business in New Mexico.  
[11/15/96; 3.2.221.2 NMAC - Rn, 3 NMAC 2.63.2, 6/14/01]

**3.2.221.3 STATUTORY AUTHORITY:** Section 9-11-6.2 NMSA 1978.  
[11/15/96; 3.2.221.3 NMAC - Rn, 3 NMAC 2.63.3, 6/14/01]

**3.2.221.4 DURATION:** Permanent.  
[11/15/96; 3.2.221.4 NMAC - Rn, 3 NMAC 2.63.4, 6/14/01]

**3.2.221.5 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; 3.2.221.5 NMAC - Rn, 3 NMAC 2.63.5 & A, 6/14/01]

**3.2.221.6 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; 3.2.221.6 NMAC - Rn, 3 NMAC 2.63.6, 6/14/01]

**3.2.221.7 DEFINITIONS:** [Reserved.]  
[11/15/96; 3.2.221.7 NMAC - Rn, 3 NMAC 2.63.7, 6/14/01]

**3.2.221.8 COLUMNISTS, CARTOONISTS AND WIRE SERVICES:**  
A. The receipts of columnists, cartoonists and wire services from performing services in New Mexico are gross receipts and are not receipts from publishing as that term is used in Section 7-9-63 NMSA 1978.  
B. The gross receipts of columnists, cartoonists and wire services from performing services in New Mexico are not deductible under the provisions of Section 7-9-63 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; 3.2.221.8 NMAC - Rn, 3 NMAC 2.63.8 & A, 6/14/01]

**3.2.221.9 GENERAL EXAMPLES.**  
A. A person engaged in the business of publishing magazines or newspapers in New Mexico can deduct the receipts from selling the published product to others for subsequent resale under Section 7-9-63 NMSA 1978. The publisher is not required to obtain a nontaxable transaction certificate from the purchaser for purposes of Section 7-9-63 NMSA 1978. The receipts of the publisher from the sale of advertising space and the receipts from selling magazines at retail are not deductible from the publisher's gross receipts.  
B. *Example 1:* M is in the business of publishing a magazine. It compiles the stories and pictures. It then takes this material to E who prints the magazines and sells them to M for resale. E is classified as a manufacturer. As such, E may give nontaxable transaction certificates (nttcs) to vendors of paper and ink. E can then accept nttcs from the publisher for the sale of the magazine for resale. M is the publisher of the magazine and is liable for gross receipts tax. If M sells the magazine to news shops or other outlets for resale, M includes in gross receipts only those amounts that M receives from the sale of advertising space. If M also sells the magazine at retail to consumers, however, M would be liable for the gross receipts tax on the receipts derived from the sale of the magazine other than for resale as well as on receipts from the sale of advertising space.  
C. *Example 2:* X, a newspaper, sells space in its newspaper for obituaries. It claims a deduction for these sales under Section 7-9-63 NMSA 1978. These receipts are not deductible because they are receipts from selling advertising space. However, if the space is sold to a person, such as a funeral home, who resells the space and gives X an nttc, X's receipts from the sale to such a person are deductible. This version of Subsection C of Section 3.2.221.9 NMAC applies to transactions occurring on or after July 1, 2000.

[9/12/67, 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, 10/21/86, 11/26/90, 11/15/96, 3.2.221.9 NMAC - Rn, 3 NMAC 2.63.9 & A, 10/31/2000]

#### **HISTORY OF 3.2.221 NMAC:**

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center: 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 2.63, Deduction - Gross Receipts Tax - Publication Sales, filed 11/4/96.

3.2.221 NMAC, Deduction - Gross Receipts Tax - Publication Sales, filed 6/4/2001.