Alternative Evidence for Gross Receipts Tax Deductions

Section 7-9-43 NMSA 1978, amended by the 2018 New Mexico Legislature in House Bill 194 and signed into law by Governor Martinez, allows taxpayers to provide alternative evidence instead of a nontaxable transaction certificate (NTTC) to establish entitlement to many of the deductions allowed in the Gross Receipts and Compensating Tax Act. Please note that NTTCs are still available and are conclusive evidence that proceeds from the transaction are deductible from a person’s gross receipts if the person accepts in good faith a properly executed NTTC from the purchaser.

For purposes of establishing that a taxpayer’s receipts may be deducted based on a specific Section, alternative evidence may be used in most instances where an NTTC was previously required. The exception to this is the deductions provided in Section 7-9-46 NMSA 1978, for which a Type 11 or Type 12 NTTC is required. As provided in Section 7-9-43 NMSA 1978, alternative evidence includes:

- Invoices or contracts that identify the nature of the transaction;
- Documentation as to the purchaser’s use or disposition of the property or service;
- A statement from the purchaser indicating that the purchaser sold or intends to resell the property or service purchased from the seller, either by itself or in combination with other property or services, in the ordinary course of business. The statement from the purchaser shall include:
  - the seller’s name;
  - the date of the invoice or date of the transaction;
  - the invoice number or a copy of the invoice;
  - a copy of the purchase order, if available;
  - the amount of purchase; and
  - a description of the property or service purchased or leased; or
- Any other evidence that demonstrates the facts necessary to establish entitlement to the deduction.

There may also be industry-specific types of documentation that will be acceptable to the Department as alternative evidence. An example of this would be for interstate transportation, where alternative evidence may include travel logs as required per the Department of Transportation, gas receipts or gas logs, and maintenance service receipts; all identifying the dates, locations and amounts. Any alternative evidence provided must be clear and convincing and contain all information necessary to prove that a deduction applies.

If a purchaser provides an NTTC or alternative evidence but fails to use the property or service purchased in a nontaxable manner, or provides false information, that purchaser is liable for the gross receipts tax that would have been owed by the seller, as well as any applicable penalty and interest.

If you are unsure whether documentation offered to you by your customer is sufficient to be accepted by the Department as alternative evidence, please call our Call Center Bureau at 866-285-2996.

New Mexico Taxation and Revenue Department
P.O. Box 630
Santa Fe, NM 87504-0630

B-200.32
New 6/2018
Tax District Field Offices and the Department’s call center can provide full service and general information about the Department’s taxes, taxpayer access point, programs, classes, and forms. Information specific to your filing situation, payment plans and delinquent accounts.

**TAX DISTRICT FIELD OFFICES**

**ALBUQUERQUE**
10500 Copper Pointe Avenue NE
Albuquerque, NM 87123

**SANTA FE**
Manuel Lujan Sr. Bldg.
1200 S. St. Francis Dr.
Santa Fe, NM 87504

**FARMINGTON**
3501 E. Main St., Suite N
Farmington, NM 87499

**LAS CRUCES**
2540 S. El Paseo Bldg. #2
Las Cruces, NM 88004

**ROSWELL**
400 Pennsylvania Ave., Suite 200
Roswell, NM 8820

For forms and instructions visit the Department’s web site at [http://www.tax.newmexico.gov](http://www.tax.newmexico.gov)

**Call Center Number:**
1-866-285-2996

If faxing something to a tax district field office, please fax to:

**Call Center Fax Number:**
1-505-841-6327

If mailing information to a tax district field office, please mail to:

Taxation and Revenue Department
P.O. Box 8485
Albuquerque, NM 87198-8485

For additional contact information please visit the Department’s website at [http://www.tax.newmexico.gov/contact-us.aspx](http://www.tax.newmexico.gov/contact-us.aspx)

**General Information.** FYIs and Bulletins present general information with minimum technical language. All FYIs and Bulletins are free of charge and available through all local tax offices and on the Taxation and Revenue Department’s website at [http://www.tax.newmexico.gov/forms-publications.aspx](http://www.tax.newmexico.gov/forms-publications.aspx)

This information is as accurate as possible as of the date specified on the publication. Subsequent legislation, new state regulations and case law may affect its accuracy. For the latest information please check the Taxation and Revenue Department’s web site at [www.tax.newmexico.gov](http://www.tax.newmexico.gov).

This publication provides instructions or general information to the taxpayer. It does not constitute a regulation or ruling as defined under Section 7-1-60, New Mexico Statutes Annotated, 1978. Taxpayers and preparers are responsible for being aware of New Mexico tax laws and rules. Consult the Department directly if you have questions or concerns about information provided in this Bulletin.