

# General Sales Taxes, Gross Receipts and Compensating Taxes

Tax Expenditures:  
Exemptions and Deductions



# General Sales Taxes

- Gross Receipts Tax - \$1.803 billion in FY 2007  
(October 2006 TRD/DFA/LFC Testimony)
- Compensating Tax - \$50.8 million in FY 2007  
(October 2006 TRD/DFA/LFC Testimony)
- General Sales Taxes Total - \$1.851 billion

# Gross Receipts and Compensating Tax

## Exemptions:

- Exemptions are receipts that are not taxable and need not be reported to the Taxation and Revenue Dept. on the CRS-1 form.

## Deductions:

- A deduction is a receipt not subject to tax. Deductible receipts must be reported on the TRD's CRS-1 form.

# Exemptions from NM Gross Receipts and Compensating Taxes

Social Policy and Economic Development:

- State General Fund Cost: \$58.2 million
- Local Government Cost: \$23.0 million
- Total Cost: \$81.2 million



# Exemptions from NM Gross Receipts and Compensating Taxes

Government Family of Exemptions:

- State General Fund Cost: \$12 million
- Local Government Cost: \$8 million
- Total Cost: \$20 million



# Exemptions from NM Gross Receipts and Compensating Taxes

Nonprofit Organizations Family of Exemptions:

- State General Fund Cost: \$90 million
- Local Government Cost: \$60 million
- Total Cost: \$150 million



# Exemptions from NM Gross Receipts and Compensating Tax

## Taxes Paid Under Other Programs:

- State General Fund Cost: \$1,755 million
- Local Government Cost: \$1,144 million
- Total Cost: \$2,899 million



# Exemptions from NM Gross Receipts and Compensating Taxes

## Agricultural Family of Exemptions:

- State General Fund Cost: \$3 million
- Local Government Cost: \$1 million
- Total Cost: \$4 million



# Exemptions from NM Gross Receipts and Compensating Taxes

## Federal Preemption – Food Stamps:

- State General Fund Cost: \$7 million
- Local Government Cost: \$5 million
- Total Cost: \$12 million



# Exemptions from NM Gross Receipts and Compensating Taxes

## Out-of-State Communications Exemptions:

- State General Fund Cost: \$8 million
- Local Government Cost: \$0
- Total Cost: \$8 million

# Deductions from NM Gross Receipts and Compensating Taxes

Social Policy and Economic Development:

- State General Fund Cost: \$126.4 million
- Local Government Cost: \$34.6 million
- Total Cost: \$161.0 million



# Deductions from NM Gross Receipts and Compensating Taxes

Government Family of Deductions:

- State General Fund Cost: \$25 million
- Local Government Cost: \$15 million
- Total Cost: \$40 million



# Deductions from NM Gross Receipts and Compensating Taxes

Interstate Trade Family of Deductions:

- State General Fund Cost: \$11 million
- Local Government Cost: \$3 million
- Total Cost: \$14 million



# Deductions from NM Gross Receipts and Compensating Taxes

Nonprofit Organization Family of Deductions:

- State General Fund Cost: \$24.3 million
- Local Government Cost: \$16.5 million
- Total Cost: \$40.8 million



# Deductions from NM Gross Receipts and Compensating Taxes

Deductions for Taxes Paid Under Other Tax  
Programs:

- State General Fund Cost: \$4 million
- Local Government Cost: \$2 million
- Total Cost: \$6 million



# Deductions from NM Gross Receipts and Compensating Taxes

## Agricultural Family of Deductions:

- State General Fund Cost: \$14 million
- Local Government Cost: \$6 million
- Total Cost: \$20 million



# Deductions from NM Gross Receipts and Compensating Taxes

## Manufactured Products Family of Deductions:

- State General Fund Cost: \$99 million
- Local Government Cost: \$46 million
- Total Cost: \$145 million



# Deductions from NM Gross Receipts and Compensating Taxes

Property for Resale Family of Deductions:

- State General Fund Cost: \$463.3 million
- Local Government Cost: \$300 million
- Total Cost: \$763.3 million



# Deductions from NM Gross Receipts and Compensating Taxes

Lease for Resale or Lease Family of Deductions:

- State General Fund Cost: \$13 million
- Local Government Cost: \$4 million
- Total Cost: \$17 million



# Deductions from NM Gross Receipts and Compensating Taxes

Construction Materials and Services Family of  
Deductions:

- State General Fund Cost: \$48 million
- Local Government Cost: \$32 million
- Total Cost: \$80 million



# Deductions from NM Gross Receipts and Compensating Taxes

## Real Property Family of Deductions:

- State General Fund Cost: \$266 million
- Local Government Cost: \$171 million
- Total Cost: \$437 million



# Summary: Exemptions and Deductions from NM Gross Receipts and Compensating Taxes

• Social Policy/ Economic Devel.	\$184.6	\$45	\$242.2
• Governmental Family	\$45	\$30	\$75
• Interstate Trade Family	\$23	\$12	\$35
• Nonprofit Organizations Family	\$114.3	\$76.5	\$190.8
• Taxes paid under other programs	\$1,759	\$1,146	\$2,905
• Agricultural Family	\$17	\$7	\$24
• Food Stamps Pre-emption	\$7	\$5	\$12
• Manufactured Products Family	\$107	\$46	\$153
• Property for Resale	\$463.3	\$300	\$763.3
• Lease for Resale Family	\$13	\$4	\$17
• Construction Materials & Services	\$48	\$32	\$80
• Real property family	\$266	\$171	\$437
• Total	\$3047.2	\$1887	\$4934.3

