



# New Mexico Commission for Deaf & Hard of Hearing

Toll-Free: 1.800.489.8536 | Albuquerque 505.383.6530

Website: [www.cdhh.nm.gov](http://www.cdhh.nm.gov)

## Gross Receipts Tax Changes

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### Contact Person:

Lisa Dignan

[Lisa.Dignan@cdhh.nm.gov](mailto:Lisa.Dignan@cdhh.nm.gov)

505.383.6530

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Several changes to the New Mexico Tax Code regarding Gross Receipts Tax (GRT) went into effect on July 1, 2021. Some of these changes impact the work of Signed Language Interpreters. These changes have been confusing, and the staff at New Mexico Taxation and Revenue Department (TRD) have been working through a vast number of questions from constituents regarding application to each of their respective situations. After ongoing discussions, we have consistent responses from TRD regarding how interpreters should implement these changes.

### Destination Sourcing Rules

Previously, signed language interpreting services applied GRT at the location of the interpreter's business address regardless of where the services were performed. The new rules use destination sourcing principles, meaning the GRT rate for the location where the services are performed should be applied. The determination of where services are performed depended on how our services were categorized. The decisions by TRD outlined below made the application of the new rules to our services significantly less complex.

### Professional Services

While the State Purchasing Division classifies interpreters as a General Service for contract purposes, TRD has determined that Signed Language Interpreters in New Mexico are classified under Professional Services for GRT purposes because Signed Language Interpreters are required to hold a professional license issued by the state.

### Not In-Person Services

Services that must be provided in-person are categorized differently than those which are not, or that sometimes are provided in-person but don't always require the service provider to be in the same physical location as the person receiving the services. For the purposes of the new GRT rules, TRD determined that signed language interpreting is classified as a "not in-person service" whether we are working remotely or on-site.

### Location of the Service

With the above two determinations, guidance from TRD is that Signed Language Interpreters should charge the GRT rate for the physical location in which the interpreter is providing the service, whether the service is remote or on-site. The location that the interpreter's body is physically located while providing the service determines the applicable GRT rate.

### Disregard Previous Guidance

When these discussions began, several interpreters were provided conflicting information regarding how to apply these changes, including how our services are categorized and what

location should be used for application of GRT. As TRD learned more about our profession and services, they shifted their perspective and came to the conclusions provided above. Please disregard any previous guidance provided.

## **Resources and Information**

TRD has several resources on their website that are helpful.

- Gross Receipts Overview: [www.tax.newmexico.gov/businesses/gross-receipts-overview/](http://www.tax.newmexico.gov/businesses/gross-receipts-overview/)
- Tax Rate Tables and Interactive Map: [www.tax.newmexico.gov/governments/gross-receipts-location-code-and-tax-rate-map/](http://www.tax.newmexico.gov/governments/gross-receipts-location-code-and-tax-rate-map/)
- Informational Document FYI-105 “Gross Receipts & Compensating Taxes: An Overview” found [here](#).
- Informational Document FYI-200 “Your Business Location and the Appropriate Tax Rate” found [here](#).