

**PROGRAM:** New Mexico Agricultural Business Tax Deductions and Exemptions **Industry Specific Incentive**

**AGENCY:** Taxation and Revenue Department

**DESCRIPTION:** Tax deductions/exemptions were implemented to facilitate agriculture-related production in New Mexico.

**ELIGIBLE USES:**

- Gross Receipts Tax Deduction for Feed and Fertilizer: Receipts from selling feed for livestock; fish raised for human consumption; poultry or animals raised for their hides or pelts; selling seeds, roots, bulbs, plants, soil conditioners, fertilizers, insecticides, germicides, insects used to control populations of other insects, fungicides or weedicides, or water for irrigation purposes may be deducted from gross receipts if the sale is made to a person who states in writing that he is regularly engaged in the business of farming, ranching or the raising of animals for their hides or pelts. **7-9-58 A NMSA**
- Receipts of auctioneers from selling livestock or other agricultural products at auction may also be deducted from gross receipts. **7-9-58 B**
- Gross Receipts Tax Deduction for Warehousing, Threshing, Harvesting, Growing, Cultivating and Processing Agricultural Products: Receipts from warehousing grain or other agricultural products may be deducted from gross receipts. Receipts from threshing, cleaning, growing, cultivating or harvesting agricultural products including the ginning of cotton or processing for growers, producers or nonprofit marketing associations of other agricultural products raised for food and fiber, including livestock, may be deducted from gross receipts. **7-9-59**
- Gross Receipts Tax and Governmental Gross Receipts Tax Exemption for Agricultural Products: Exempted from the gross receipts tax and from governmental gross receipts tax are the receipts from selling livestock and receipts of growers, producers, trappers, or nonprofit marketing associations from selling livestock, live poultry, unprocessed agricultural products, hides or pelts. Persons engaged in the business of buying and selling wool or mohair, or of buying and selling livestock on their own account are producers for the purposes of this exemption. Receipts from selling dairy products at retail are not exempted from gross receipts tax. 7-8-18
- Gross Receipts Tax Exemption for Livestock Feeding: Exempted from the gross receipts tax are the receipts of any person derived from feeding or pasturing livestock; this includes receipts from penning or handling livestock prior to sale and receipts derived from training. **7-9-19**
- Fifty percent of the value of agricultural implements, farm tractors, aircraft not exempted under Section **7-9-30** or vehicles that are not required to be registered under the Motor Vehicle Code may be deducted from the value in computing the compensating tax due, or gross receipts tax from selling these **items (7-9-62)**; provided that, with respect to use of agricultural implements, the person using the property is regularly engaged in the business of farming or ranching. Any deduction allowed under Subsection B of this section to be taken before the deduction allowed by this subsection is computed. **7-9-77**

**PROGRAM/LOAN STRUCTURE:**

- Maximum Program Benefits: The gross receipts tax rate is approximately 7%.
- Visit the Taxation and Revenue Department homepage at <http://www.state.nm.us/tax/home.htm> or find paperwork and applications at <http://www.state.nm.us/tax/BizPge.htm>.
- Call the office of the Secretary at (505)827-0341.