TAXATION & REVENUE
NEW MEXICO

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Department issues guidance on $600 rebates, restaurant GRT relief

The Taxation and Revenue Department today released its formal guidance on the restaurant and bar Gross Receipts Tax relief and $600 Personal Income Tax rebates recently signed into law by Gov. Michelle Lujan Grisham.

The temporary Gross Receipts Tax relief authorized by Senate Bill 1 allows many restaurants, bars, breweries and similar businesses a Gross Receipts Tax deduction for sales of prepared food and drinks made after March 1, 2021 and prior to July 1, 2021.

The tax relief is intended to help businesses that have been especially hard hit financially during the COVID-19 pandemic.

During the four-month period that the deduction is available, eligible businesses may choose either to not charge Gross Receipts Tax on the deductible receipts, or to charge the tax but keep the amount charged.

Fast food restaurants are not eligible for the deduction, but mobile food services do qualify.

More information, including how the deduction will be claimed, is available in Bulletin 100.39, which can be found by opening the Publications folder on the Forms & Publications page of tax.newmexico.gov, then the Bulletins folder and then the 100 Series-General Information folder.

The bulletin also provides guidance on a $600 Personal Income Tax rebate for taxpayers receiving the Working Families Tax Credit under certain income thresholds.

To receive the rebate, taxpayers must file a Personal Income Tax return, be eligible for and claim the Working Families Tax Credit and have an adjusted gross income of $31,200 or less (single filers) or $39,000 or less (married filing jointly, heads of household and surviving spouses). The rebate does not appear on the 2020 PIT form

but will be issued automatically to those who show they meet these qualifications on the 2020 PIT return. Taxpayers who have already filed their 2020 PIT return do not need to do anything further; if they are eligible for the rebate, the Department will send it.

Taxpayers will also automatically receive the rebate if they amend their 2020 return to claim a Working Families Tax Credit for which they are eligible and have a qualifying adjusted gross income.

The rebate will be issued separately from any 2020 personal income tax refund. The Department intends to begin issuing the rebates in the next couple of weeks. Rebates will be sent by check or direct deposit, depending how the taxpayer opted to receive their regular refund.

More details can be found in Bulletin 100.39.