

## SERVICES FOR RESALE TAX CREDIT

**WHO MUST FILE THIS FORM:** Use this form to calculate the credit against gross receipts tax or governmental gross receipts tax for receipts from sales of services that are resold and not consumed and the resale is **not** subject to either tax. This credit applies to receipts beginning after June 2005. Receipts from sales of services for resale when the receipts from the resale are subject to gross receipts tax or governmental gross receipts tax remain deductible under Section 7-9-48 NMSA 1978, and are reported as deductions on the CRS-1 return in Column E. \*See *What Services Qualify* in the instructions to this form.

To claim the credit, compute the credit amount on the worksheet below and attach a completed Form RPD-41300, *Services For Resale Tax Credit* to the CRS-1 return on or before the due date of the return. You may apply this credit when you file your return online. Sign into Taxpayer Access Point (TAP) at <https://tap.state.nm.us>, and follow the prompts to attach this form. To mail in, attach this form and any applicable payments to the return and mail to the address on the return. For assistance, call (505) 827-0792.

Name of business	New Mexico CRS Identification Number
Enter tax period as shown on the CRS-1 return  <div> <div>_____</div> <div>MM/DD/YY</div> </div> through <div> <div>_____</div> <div>MM/DD/YY</div> </div>	Name and phone number of contact

[illegible]

I declare that I have examined this return including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of taxpayer or agent	Title	Date
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State of New Mexico - Taxation and Revenue Department  
**SERVICES FOR RESALE TAX CREDIT**  
**INSTRUCTIONS**

**WHAT SERVICES QUALIFY**

A seller may claim a services for resale tax credit *only* if:

- the buyer resells the service in the ordinary course of business,
- the resale is not subject to the gross receipts tax or the governmental gross receipts tax, and
- the buyer delivers to the seller Form RPD-41305, *Declaration of Services Purchased For Resale*, completed and signed by the buyer.

A seller may **not** claim the credit for services to a governmental entity or to a person who is a prime contractor that operates a facility in New Mexico designated as a national laboratory by an act of congress.

**NOTE:** The service must be resold and may not be consumed in the ordinary course of business.

**HOW TO COMPLETE THIS FORM**

Complete all information requested in the business name block. The reported tax period must match the tax period shown on the CRS-1 return for which you are reporting the eligible sales.

Columns 1 and 2: Complete Columns 1 and 2 using the *CRS-1 Instructions for Columns A Through H*. The *Gross Receipts Tax Rate Schedule* has the listing of counties, municipalities and location codes for each.

Column 3: Enter only that portion of gross receipts from Column D of your CRS-1 report for the current report which is attributable to the receipts of sales of services for resale as described. Do not include receipts from other sales. Exclude from gross receipts reported in Column 3 any gross receipts tax, governmental gross receipts tax and leased vehicle gross receipts tax.

Column 4: Multiply the amount reported in Column 3 by 10%.

*Complete either Column 5 or Column 6. Complete Column 5 if the reported business location is within a municipality. Complete Column 6 if the reported business location is a county business located outside a municipality.*

Column 5: If the business is located within a municipality, multiply Column 4 by 0.03775 (3.775%).

Column 6: If the business is located within the remainder of a county, multiply Column 4 by 0.05 (5%).

**Line A**

Column 5: Enter the sum of Column 5, services for resale tax credit attributable to municipal business locations.

Column 6: Enter the sum of Column 6, services for resale tax credit attributable to county business locations.

**Line B**

Enter the sum of Line A, Columns 5 and 6.

**HOW TO CLAIM THIS CREDIT**

To claim a services for resale tax credit, *you must file the full-page version of the New Mexico Form CRS-1*. Complete the CRS-1 Long Form and supplemental forms, if any, according to the instructions. Do not reduce the tax liability on the CRS-1 Long Form to reflect the services for resale tax credit claimed. Instead, underpay the tax liability shown on the return by the amount of services for resale tax credit claimed. Do not enter a negative number. *You may take this credit only if there is tax due for the current report period*. See the example below.

Example: Company X sells a qualifying service for resale and obtains Form RPD-41305, *Declaration of Services Purchased for Resale*, from the buyer. X's CRS-1 Long Form indicates that the total gross receipts tax due from the sale is \$1,000 and is reported on lines 1, 4 and 7. The business is located in Santa Fe county, outside the boundaries of a municipality. The services for resale tax credit computes to \$5, and the taxpayer is taking the credit against those sales. The taxpayer submits a CRS-1 Long Form indicating that \$1,000 is due. The taxpayer attaches Form RPD-41300, *Services for Resale Tax Credit*, indicating a \$5 tax credit is claimed and includes a payment for the difference of \$95.

**IMPORTANT:** You must retain in your records the Form RPD-41305, *Declaration of Services Purchased for Resale*, signed by the buyer as documentation acceptable on audit for this credit.