

CANNABIS EXCISE TAX

Instructions

WHO MUST FILE

A retailer of adult use cannabis products must file the Cannabis Excise Tax Return on a monthly basis on the 25th day of the following month. On this return, all retail sales of adult use cannabis must be reported using the county or municipal location code where your retail locations are.

Sales of medical cannabis or other items that are not subject to the cannabis excise tax should not be reported on this return, but will be reported on your gross receipts tax (GRT) return, form TRD-41413.

INSTRUCTIONS

Section 1

Enter your Cannabis Excise Tax Number, and your Federal Employer Identification Number or Social Security Number. Print your business name, mailing address, email address and phone number.

Section 2

Enter the tax period for which you are filing. This should be the full calendar month prior to the month in which you are filing the return.

Only complete the Amended Return section if you are amending a return that you have already filed for the same period. Check the box and state your reason for amending.

Section 3

Column A

Enter the name of each municipality or remainder of county area in which you have a retail location or deliver product to a customer.

Column B

Enter the location code for that municipality or remainder of county. The location codes can be found on our website, <https://www.tax.newmexico.gov/governments/gross-receipts-location-code-and-tax-rate-map/>.

NOTE: For purposes of the Cannabis Excise Tax Return, you will only report to the municipality or remainder of county locations. If you are located within a Tax Increment Development District (TIDD), or on a Tribal or Pueblo, you will not report to those locations for the cannabis excise tax. You will only report to those locations on your GRT return.

Column C

Enter your total receipts from retail sales of adult use cannabis products, using one line for each municipality or remainder of county listed. Do not include receipts from sales of medical cannabis or other non-cannabis items sold.

Line 1 Total Retail Sales

Enter the sum of all the lines above to get your total retail sales across all locations.

Line 2. Tax Rate

Enter the appropriate rate from the following table based on the date:

Prior to July 1, 2025	12%
July 1, 2025 to June 30, 2026	13%
July 1, 2026 to June 30, 2027	14%
July 1, 2027 to June 30, 2028	15%
July 1, 2028 to June 30, 2029	16%
July 1, 2029 to June 30, 2030	17%
Beginning July 1, 2030	18%

Line 3. Total Tax

Enter the product of line 1 and line 2, which is your cannabis excise tax for this period.

Line 4. Penalty.

Add penalty if you fail to file timely or to pay the amount when due. Calculate the penalty by multiplying the amount on Line 3 by 2%, then by the number of months for which the return or payment is late, not to exceed 20% of the tax due. Penalty for failure to file or pay on time may not be less than \$5.00. If you leave this blank, the department will calculate penalty for you if return or payment is late or short paid.

Line 5. Interest.

Interest accrues daily on the unpaid principal of tax due, and it can change on a quarterly basis. You can find the effective annual and daily interest rates on the Department's web page at www.tax.newmexico.gov or by contacting the Department. If you leave this blank, the department will calculate interest for you if return or payment is late or short paid.

Line 6. Total due.

Enter the total of Lines 3, 4, and 5. Pay this amount.