

New Mexico Taxation and Revenue Department
P.O Box 5557
Santa Fe, New Mexico 87502-5557
www.tax.newmexico.gov/

INSTRUCTIONS FOR NONTAXABLE TRANSACTION CERTIFICATES

REQUIREMENTS: All New Mexico buyers/lessees who wish to execute NTTCs are required to: 1) register with the Taxation and Revenue Department, 2) complete the *Application for Nontaxable Transaction Certificates*, and 3) be in compliance with the department. Buyers/lessees are in compliance with the Department when: 1) all required returns have been filed: 2) they are not a delinquent taxpayer, and 3) their CRS business registration is complete.

CAUTION: Fraudulent statements made to obtain certificates, or fraudulent use of certificates received pursuant to this application with intent to evade or defeat the tax may subject the person or business to a fine of not more than ten thousand dollars (\$10,000) or imprisonment for not more than five (5) years or both (Sections 7-1-72 NMSA 1978 and 7-1-73 NMSA 1978). In addition, misuse of these certificates may result in loss of the privilege to execute NTTCs for up to one (1) year (Section 7-9-43 NMSA 1978).

NTTC DESCRIPTIONS AND AUTHORIZED USES: See reverse for complete descriptions of NTTC types.

- Type 2: for tangibles for resale, lease or re-lease, or for purchase by manufacturer
- Type 5: for services for resale, for export, or for services performed on manufactured products
- Type 6: for construction contractor's purchase of construction materials, construction services, construction-related services or for the lease of construction equipment
- Type 9: for purchase of tangible personal property by New Mexico or United States governments, 501(c)(3) organization, or credit unions
- Type 10: for purchase or lease of tangible personal property or services by a person who holds an interest in a qualified generating facility
- Type 11: for purchase of tangible personal property that is consumed in the manufacturing process¹
- Type 12: for purchase of utilities that are consumed in the manufacturing process¹
- Type 15: for tangible personal property purchased by qualified federal contractors
- Type 16: for sales of property, services and leases to qualified film production companies, accredited foreign missions, and their accredited members
- Type OSB NTTCs are issued to registered New Mexico sellers/lessors to execute to Out-of-State Buyers who are not registered with the Department, but who will resell tangible personal property outside of New Mexico

¹ An alternative application form must be completed to request the Type 11 and 12 NTTCs. Please complete Form RPD-41378, *Application for Type 11 or 12 Nontaxable Transaction Certificates*, available online at www.tax.newmexico.gov or from your local district office.

Taxpayer Access Point (TAP) for NTTCs: The Department has upgraded the TAP system to allow for the request and execution of NTTCs. The Department encourages all taxpayers to use TAP to apply for, execute, record, and request additional NTTCs online. If you know the seller's/lessor's CRS identification number to whom you wish to execute a NTTC, you may immediately execute the NTTC online. When the recipient's CRS identification number is known, there is no limit to executing NTTCs on TAP, but you may request up to five (5) NTTCs to be executed at a later date if the seller's/lessor's name and CRS identification number is not known. You must first record executed NTTC information before applying for additional NTTCs to be executed at a later date. Please note that on the TAP system third parties (e.g., CPAs, accountants, bookkeepers, etc.) cannot request or execute NTTC's on behalf of their clients/employers.

For instructions on how to obtain NTTCs online, go to <https://tap.state.nm.us>.

IF YOU DO NOT HAVE INTERNET ACCESS COMPLETE THE APPLICATION FORM BELOW:

HOW TO APPLY OR REORDER: If you do not yet have the name and CRS identification number of the vendor to whom you wish to execute the NTTC, complete the application below, providing all information requested. Mail the application to the New Mexico Taxation and Revenue Department, P.O. Box 5557, Santa Fe, New Mexico 87502-5557, or you may deliver it to your local district office.

NOTE: You may reorder additional NTTCs ONLY after your executed NTTCs have been recorded with the Department. To record your executed NTTCs, submit the Nontaxable Transaction Certificate Report or record them online. **The Department will only issue a maximum of five (5) NTTCs to be executed at a later date.**

APPLICATION FOR NONTAXABLE TRANSACTION CERTIFICATES

To be executed at a later date
(All information below must be completed)

BUSINESS INFORMATION OF APPLICANT

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Date: _____ Phone No: _____

NM CRS IDENTIFICATION NUMBER OF APPLICANT

0 - - - - - **00** - -

New Application
 Reorder

CONTRACTORS LICENSE NUMBER (if applicable)

Type of NTTC **Quantity Requested: 5 combined maximum (circle number)**

Print Name: _____	_____	1	2	3	4	5
Authorized Signature: _____	_____	1	2	3	4	5

NTTC TYPE DESCRIPTIONS ¹

TYPE 2 certificates may be executed:

- 1) By manufacturers for the purchase of tangible personal property that will become an ingredient or component of the manufactured product. (7-9-46)
- 2) For the purchase of tangible personal property or licenses for resale either alone or in combination with other tangible personal property or licenses in the ordinary course of business. (7-9-47)
- 3) By a lessee for the lease of tangible personal property or licenses for subsequent lease in the ordinary course of business, except for the lease of furniture or appliances, the receipts from the rental or lease of which are deductible under Subsection C of Section 7-9-53, the lease of coin-operated machines, and for the purchase of manufactured homes as defined in Section 7-9-3(G). (7-9-50)
- 4) For the purchase of tangible personal property or licenses for subsequent lease in the ordinary course of business, except for the lease of furniture or appliances, the receipts from the rental or lease of which are deductible under Subsection C of Section 7-9-53; the lease of coin-operated machines, and for the purchase of manufactured homes as defined in Section 7-9-3(G). (7-9-49)
- 5) By a person who is licensed to practice medicine, osteopathic medicine, dentistry, podiatry, optometry, chiropractic or professional nursing for the purchase of prosthetic devices. (7-9-73)
- 6) By a common carrier for the purchase of fuel that is to be loaded or used in a locomotive engine. (7-9-110.1 & 7-9-110.3)

TYPE 5 certificates may be executed:

- 1) For the purchase of services for resale if the subsequent sale by the buyer is in the ordinary course of business and the subsequent sale of the service is subject to gross receipts tax or governmental gross receipts tax. (7-9-48)
- 2) For the purchase of services for export when sold to an out-of-state buyer **and** delivery and initial use of the product of the service occurs outside New Mexico. (7-9-57)
- 3) By manufacturers for the purchase of services performed directly upon tangible personal property they are in the business of manufacturing or upon ingredient or component parts thereof. (7-9-75)
- 4) For the purchase of aerospace services for resale if the subsequent sale by the buyer is in the ordinary course of business and the services are sold to a 501(c)(3) organization, other than a national laboratory, or to the United States. (7-9-54.1)

TYPE 6 certificates may be executed by a construction contractor:

- 1) For the purchase of construction materials that will become ingredients or components of a construction project that is either subject to gross receipts tax upon completion or that takes place on Indian tribal territory. (7-9-51) Enter your contractor's license number on the application or submit proof that such a number is not required.²
- 2) For the purchase of construction services that are directly contracted for or billed to a construction project that is either subject to gross receipts tax upon completion, upon the sale in the ordinary course of business of the real property upon which the project is constructed or that takes place on Indian tribal territory. (7-9-52) Enter your contractor's license number on the application or submit proof that such a number is not required.²
- 3) For the purchase of construction-related services that are directly contracted for or billed to a construction project that is either subject to gross receipts tax upon completion, upon the sale in the ordinary course of business of the real property upon which the project is constructed or that takes place on

Indian tribal territory. (7-9-52) Enter your contractor's license number on the application or submit proof that such a number is not required.²

- 4) For the lease of construction equipment that is used at the construction location of a construction project that is either subject to gross receipts tax upon completion, upon the sale in the ordinary course of business of the real property upon which the project is constructed or that takes place on Indian tribal territory. (7-9-52.1) Enter your contractor's license number on the application or submit proof that such a number is not required.²

TYPE 9 certificates may be executed for the purchase of tangible personal property only and may **not** be used for the purchase of services, the purchase of a license or other intangible property, for the lease of property or to purchase construction materials for use in construction projects (except as provided in #2 below). The following may execute Type 9 NTTCs:

- 1) Governmental agencies. (7-9-54)
- 2) 501(c)(3) organizations. (7-9-60) These organizations register with the Taxation and Revenue Department and submit proof of Internal Revenue Service 501(c)(3) nonprofit determination before they may execute Type 9 NTTCs. Those 501(c)(3) organizations that are organized for the purpose of providing homeownership opportunities to low-income families may purchase construction materials incorporated into these construction projects.
- 3) Federal or state-chartered credit unions. (7-9-54 and 7-9-61.2)
- 4) Indian tribes, nations or pueblos when purchasing tangible personal property for use on Indian reservations or pueblo grants. (7-9-54)

TYPE 10 certificates may be executed by a person that holds an interest in a qualified generating facility for the purchase or lease of tangible personal property or services that are eligible generation plant costs. In addition to required reporting on the CRS-1 Form, sellers who accept this certificate for a qualified purchase must also report this deduction on form RPD-41349 Advanced Energy Deduction. (7-9-114)

TYPE 11 certificates may be executed by manufactures for the purchase of tangible personal property that will be consumed in the manufacturing process and may not be used to purchase tools or equipment that may be used to create the manufactured product. The Type 11 NTTC is not to be used for the purchase of utilities. (7-9-46B)³

TYPE 12 certificates may be executed by manufactures for the purchase of utilities that will be consumed in the manufacturing process. (7-9-46B)³

TYPE 15 certificates may be executed by qualified federal contractors on a contract-by-contract basis. A copy of the federal contract is required. The Taxation and Revenue Department may contact you for additional information.

TYPE 16 certificates may be executed by:

- 1) Qualified film production companies to purchase property, lease property or purchase services. A qualified production company must submit proof of registration with the New Mexico Film Division of the Economic Development Department. (7-9-86)
- 2) Accredited diplomats or missions for the purchase of property or services or the leasing of property. (7-9-89)

TYPE NTTC-OSB certificates may be executed by OUT-OF-STATE BUYERS for the purchase of tangible personal property that will be resold or become an ingredient or component of a manufactured product, or for services performed on a manufactured product. **Type NTTC-OSBs must be obtained by the seller.**

¹ For more information on the use of different types of NTTCs and special reporting requirements please see publication FYI-204: Nontaxable Transaction Certificates online at http://www.tax.newmexico.gov/SiteCollectionDocuments/Publications/FYI-Publications/FYI-204_NONTAXABLE%20TRANSACTION%20CERTIFICATES_NTTCs_%202008.pdf or request it from your local district tax office.

² Proof that a construction contractor's license is not required includes a detailed written statement explaining the circumstances that exclude the contractor from the jurisdiction or application of New Mexico statutes which provide for construction contractor's licensing and regulation of construction activity.

³ Type 11 and 12 NTTCs require the completion of an alternative application, Form RPD-41378, *Application for Type 11 or 12 Nontaxable Transaction Certificates*, available online at www.tax.newmexico.gov or from your local district office.