

state & local tax services for new mexico construction companies

NEW MEXICO GROSS RECEIPTS AND COMPENSATING TAX

New Mexico imposes a gross receipts and compensating tax, but many companies have difficulty navigating the myriad, ever shifting rules to ensure transactional taxes are properly collected or assessed. As a result, some businesses may overlook exemptions, deductions, tax incentive programs or refund opportunities. REDW professionals can help you with reverse tax audits to capture overpaid taxes and with complex compliance issues, as well as provide tax-savings strategies, including nexus analysis for all businesses, especially tax-favored industries. Our services include:

- Gross receipts and compensating tax consulting
- Audit defense
- Managed audits
- NTTC review and consulting
- Reporting Location assistance

MULTI-STATE TAX

Does your company do work outside of New Mexico? Almost all states have some variation of income tax, franchise tax, or sales and use tax. REDW experts helps companies doing business across state lines understand their nexus footprint and compliance requirements for income/franchise tax and sales and use tax. REDW also assists companies in locating any credits and incentives available in the states in which they do business.

FEDERAL TAX CREDITS AND INCENTIVES

The federal government has allowed businesses to claim tax credits for hiring members of certain groups and for conducting business in specially designated areas, including:

- **Work Opportunity Tax Credit (WOTC)** – Federal tax credit of \$2,400 - \$9,000 when a qualified employee is hired from a targeted group.
- **Indian Employment Credit** – Tax credit equal to 20% of wages and employee health insurance costs provided in any year to a qualified Native American.

STATE TAX CREDITS AND INCENTIVES

Our state and local tax professionals have the technical expertise, practical experience and resources to proactively help our clients identify new opportunities and potential pitfalls, including:

High Wage Jobs Credit – A refundable tax credit equal to 10% of qualified wages and benefits for each new eligible job created.

Investment Credit – A 5.125% tax credit on the value of qualified equipment purchases used directly in the manufacturing process.

Technology Jobs Credit – A 4% tax credit (8% in rural areas) on the value of qualified research expenditures. An additional 4% may be applied against state income tax if base payroll expenses increase. This credit can piggyback off the Federal R&D Credit.

Rural Job Credit – A 6.25% tax credit for the first \$16,000 in wages. Eligible employers must be located in a rural area and be approved for the JTIP program. This credit is transferable.

Cost Segregation – New Mexico Gross Receipts Tax can be minimized on new construction costs when the building owner is a non-profit organization, a governmental entity or the recipient of industrial revenue bonds.

Contacts