Income/Franchise:
New Mexico: New Law Provides Optional Single Sales Factor Election for Certain In-State Headquartered Taxpayers

H.B. 2, signed by gov. 6/15/15. Applicable to taxable years beginning on or after January 1, 2015, new law provides that a taxpayer whose principal business activity in New Mexico is a “headquarters operation” may elect to have its business income apportioned to New Mexico by a single sales factor. Electing taxpayers must notify the New Mexico Taxation and Revenue Department (“Department”), in writing, no later than the date on which the taxpayer files the return for the first taxable year to which the election will apply. Such an election would then apply to that taxable year and to each taxable year thereafter until the taxpayer notifies the Department, in writing, that the election is terminated – except that the taxpayer cannot terminate the election for at least three consecutive taxable years. The new election applies to separately filed returns, as well as to combined or consolidated returns in New Mexico. Taxpayers making this election will be excluded from the “throwback” rule.


— Cindy James (Phoenix)  Shona Ponda (New York)
Senior Manager    Senior Manager
Deloitte Tax LLP  Deloitte Tax LLP
cyjames@deloitte.com  sponda@deloitte.com

About Deloitte
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Disclaimer
This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. None of Deloitte Touche Tohmatsu Limited, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

State Tax Matters
Issue 2015-25
Page 1 of 1
Copyright © 2015 Deloitte Development LLC
All rights reserved.
Member of Deloitte Touche Tohmatsu Limited