52.229-10 State of New Mexico Gross Receipts and Compensating Tax.

As prescribed in 29.401-4(b), insert the following clause:

State of New Mexico Gross Receipts and Compensating Tax (Apr 2003)

(a) Within thirty (30) days after award of this contract, the Contractor *shall* advise the State of New Mexico of this contract by registering with the State of New Mexico, Taxation and Revenue Department, Revenue Division, pursuant to the Tax Administration Act of the State of New Mexico and *shall* identify the contract number.

(b) The Contractor *shall* pay the New Mexico gross receipts taxes, pursuant to the Gross Receipts and Compensating Tax Act of New Mexico, assessed against the contract fee and costs paid for performance of this contract, or of any part or portion thereof, within the State of New Mexico. The allowability of any gross receipts taxes or local *option* taxes lawfully paid to the State of New Mexico by the Contractor or its subcontractors will be determined in accordance with the Allowable Cost and Payment clause of this contract except as provided in paragraph (d) of this clause.

(c) The Contractor *shall* submit applications for Nontaxable Transaction Certificates, FormCSR-3 C, to the:

State of New Mexico Taxation and Revenue Dept. Revenue Division PO Box 630 Santa Fe, New Mexico 87509

When the Type 15 Nontaxable Transaction Certificate is issued by the Revenue Division, the Contractor *shall* use these certificates strictly in accordance with this contract, and the agreement between the (*_____) and the New Mexico Taxation and Revenue Department.

(d) The Contractor *shall* provide Type 15 Nontaxable Transaction Certificates to each vendor in New Mexico selling tangible *personal property* to the Contractor for use in the performance of this contract. Failure to provide a Type 15 Nontaxable Transaction Certificate to vendors will result in the vendor’s liability for the gross receipt taxes and those taxes, which are then passed on to the Contractor, *shall* not be reimbursable as an allowable cost by the Government.

(e) The Contractor *shall* pay the New Mexico compensating user tax for any tangible *personal property* which is purchased pursuant to a Nontaxable Transaction Certificate if such property is not used for Federal purposes.

(f) Out-of-state purchase of tangible *personal property* by the Contractor which would be otherwise subject to compensation tax *shall* be governed by the principles of this clause. Accordingly, compensating tax *shall* be due from the contractor only if such property is not used for Federal purposes.

(g) The (*_____) *may* receive information regarding the Contractor from the Revenue Division of the New Mexico Taxation and Revenue Department and, at the discretion of the (*_____), *may* participate in any matters or proceedings pertaining to this clause or the abovementioned Agreement. This *shall* not preclude the Contractor from having its own representative nor does it obligate the (*_____) to represent its Contractor.

(h) The Contractor agrees to insert the substance of this clause, including this paragraph (h), in each subcontract which meets the criteria in 29.401-4(b)(1) through (3) of the Federal *Acquisition* Regulation, 48 CFR Part 29.

(i) Paragraphs (a) through (h) of this clause *shall* be null and void *should* the Agreement referred to in paragraph (c) of this clause be terminated; provided, however, that such termination *shall* not nullify obligations already incurred prior to the date of termination.

[*Insert appropriate agency name in blanks.]

(End of clause)

Parent topic: 52.229 [Reserved]