Use of Revenue Account Codes and Their Tax Implications

Unrestricted Accounting Main, Taxation Issues updated May 30, 2014

Steffany Sandoval, 277-7899, tax@unm.edu
Taxation Staff, 277-2018, tax@unm.edu

Fax: (505) 277-7662
http://www.unm.edu/~taxweb/
UNM Revenue that May be Subject to Two Types of Taxes

• NM Governmental Gross Receipts Tax (GGRT) – this is a state tax (5%-five percent) on gross receipts from very specific types of sales. UNM uses Banner account codes to capture this information for reporting.

• Unrelated Business Income Tax (UBIT) – this is a federal income tax (15-35%) on net income from specific types of activities. UNM does not use Banner account codes to track activities subject to this type of tax. Please contact Unrestricted Accounting Main if you have questions about UBIT.
Gross Revenue Subject to NM Governmental Gross Receipts Tax (GGRT)

• Sale of goods and merchandise, other than water, from facilities open to the general public;
• Performance of or admissions to recreational, athletic or entertainment services or events in facilities open to the general public;
• The renting of parking.

Please note that sales to UNM students and staff may be considered open to the general public and subject to GGRT.
Account Codes Used for Revenue Subject to Tax- GGRT

In general, all revenues recorded in the following account codes in Banner will be treated as 100% taxable and reportable for NM GGRT purposes:

- 0510 - Merchandise Sales Revenue Gen
- 0520 - Food Sales Revenue Gen (Commission revenue received from contracts is not subject to GGRT and should not be recorded using this account code, instead use 05N0 - Commissions Revenue Gen.)
- 0560 - Textbook Sales Gen - not exempt because not course related, or not sold out of UNM bookstore, or no Lobo Card presented at point of sale.
- 0580 Vending Machine Svc Sales Gen
- 05A0 Ticket Sales Gen
- 05C0 Concession Sales Gen
- 05D0 Event Revenue Gen
- 05D1 Club Dues
- 05D2 Block Time
- 05D3 Club Leagues
- 05D4 Annual Dues
- 05D5 Indoor Time
- 05J0 User Use Fees Gen
- 05J1/2 Greens Fees, Driving Range Fees
- 05K0, 05K1, 05L1 may be subject to GGRT, Contact Taxation with specific information for a determination.
- 05V0 Gov Gross Rcpts Tx Collected Gen (The use of this account is optional. Use this account to record NM GGRT you collect if you prefer to separately state the tax received at the time of the sale.)
REPORTABLE BUT NONTAXABLE REVENUES
Account codes to be used for sales that are reportable but are not taxable.
Requirement to use these account codes - your department has on file a Non Taxable Transaction Certificate (NTTC) from the customer OR your department has on file a receipt from the mailing of the item purchased to an address outside of the state New Mexico. (Note: if the purchaser is located inside NM at the point of sale, then this exception does not apply, the sale and the shipping & handling are subject to GGRT.)

- 0511 Merchandise Sales Rev – Non Taxable (GGR tax)
- 0561 Textbook Sales – Non Taxable (GGR tax)

<table>
<thead>
<tr>
<th>If you sell:</th>
<th>Within New Mexico</th>
<th>Within New Mexico</th>
<th>Outside New Mexico</th>
<th>Outside New Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>And the buyer:</td>
<td>provides NTTC</td>
<td>no NTTC</td>
<td>provides NTTC</td>
<td>no NTTC</td>
</tr>
<tr>
<td>On the Money List</td>
<td>use account code 0511 or 0561</td>
<td>use account code 0510</td>
<td>use account code 0511 or 0561</td>
<td>use account code 0511 or 0561</td>
</tr>
<tr>
<td>GGR Tax?</td>
<td>do not charge GGRT</td>
<td>charge GGRT</td>
<td>do not charge GGRT</td>
<td>do not charge GGRT</td>
</tr>
</tbody>
</table>
NM GGRT Reporting

NONTAXABLE AND NONREPORTABLE REVENUES

• In general, Account codes that begin with 01**, 02**, 03**, 04**, 06**, 07**, 08**, 09**, and 1*** are not subject to GGRT.

• 0562 Textbook Sales – Exempt (All required textbooks and required educational supplies for classes are exempt from NM GGRT provided the student shows their UNM Student ID card at the time of purchase and the purchase was made in a UNM campus bookstore.

• 06** Internal Service Internal Sales. Sales to UNM departments, whether for goods and/or services, should be recorded here. Unless these sales are re-sold to the general public, they are exempt from NM GGRT. If a UNM department is reselling the purchased services or goods to general public, please contact Taxation staff.

• 07Z0 or 08Z0 - Other Sales and Service Revenue (Note: Revenue from UNM provided services are not taxable.) These account codes are to be used to record revenues that are “NOT” from the sale of entertainment, athletic events, tangible goods or parking. In general, these account codes will not be reported nor taxed for GGRT purposes.
Account Codes in the 05** Range that are not subject to GGRT

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0513</td>
<td>Promotional Discounts</td>
</tr>
<tr>
<td>0540</td>
<td>Housing Dorm Rental</td>
</tr>
<tr>
<td>05B*</td>
<td>Equipment and Facility Rental</td>
</tr>
<tr>
<td>05D6</td>
<td>Broadcasting Revenue</td>
</tr>
<tr>
<td>05L0-05LB* Except 05L1</td>
<td>Fundraising Activities Gen, Membership (may be subject to GGRT), Underwriting, Advertising</td>
</tr>
<tr>
<td>05M0</td>
<td>Catering Services</td>
</tr>
<tr>
<td>05N0</td>
<td>Commissions Revenue</td>
</tr>
<tr>
<td>05P0</td>
<td>Aux Scholarship Allowance</td>
</tr>
</tbody>
</table>
GGRT

• GGRT is currently 5% on the revenue from the sale.

• GGRT is computed and remitted to the New Mexico Taxation and Revenue Department on a monthly basis following the month of receipt.