

## CONTRACTOR'S BOND FOR GROSS RECEIPTS TAX

The Taxation and Revenue Department requires all out-of-state contractors engaged in the construction business who do not have a principal place of business in New Mexico and who enter into a construction contract to be performed in New Mexico furnish acceptable security for the gross receipts taxes due as a result of the construction services performed (Section 7-1-55 NMSA 1978).

The surety bond or other acceptable security must be in the sum equivalent to the gross receipts tax due based on the amount of payment specified in the contract and is required to be furnished to the Department at the time the contract is entered into.

If during the course of the contract, the contract amount changes by ten percent or more, the contractor is required to increase or decrease, as appropriate, the amount of the bond or security no later than fourteen days after the change in the contract becomes effective.

The Taxation and Revenue Department will accept only those surety bonds underwritten by a company qualified to do business in New Mexico and all surety bonds must be made to the Taxation & Revenue Department. Once an out-of-state contractor has obtained acceptable security they need to request a Surety Bond Packet directly from the local permit department, from the Taxation and Revenue Department website at [www.tax.newmexico.gov](http://www.tax.newmexico.gov) or from your local state tax office listed on the next page. Upon providing acceptable security to the Department and completing all necessary paperwork in the Surety Bond Packet, the Taxation and Revenue Department will provide the out-of-state contractor with a certificate as evidence that this statutory requirement has been fulfilled.

**New Mexico Taxation and Revenue Department  
P. O. Box 630  
Santa Fe, NM 87504-0630**

# BULLETIN

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The following local state tax offices offer full service and information about New Mexico's taxes, tax programs, forms and specific information about your filing situation.

**ALBUQUERQUE (505) 841-6200**  
New Mexico Taxation and Revenue Department  
5301 Central, NE  
P. O. Box 8485  
Albuquerque, NM 87198-8485

**ROSWELL (575) 624-6065**  
New Mexico Taxation and Revenue Department  
400 Pennsylvania Avenue, Suite 200  
P. O. Box 1557  
Roswell, NM 88202-1557

**FARMINGTON (505) 325-5049**  
New Mexico Taxation and Revenue Department  
3501 E. Main Street, Suite N  
P. O. Box 479  
Farmington, NM 87499-0479

**SANTA FE (505) 827-0951**  
New Mexico Taxation and Revenue Department  
1200 S. St. Francis Drive  
P. O. Box 5374  
Santa Fe, NM 87502-5374

**LAS CRUCES (575) 524-6225**  
New Mexico Taxation and Revenue Department  
2540 S. El Paseo - Building #2  
P. O. Box 607  
Las Cruces, NM 88004-0607

Main Switchboard: (505) 827-0700 (Santa Fe)

**General Information.** FYIs and Bulletins present general information with a minimum of technical language. All FYIs and Bulletins may be obtained without charge from all local tax offices, the Tax Information and Policy Office in Santa Fe and the Department's Internet site.

This information is as accurate as possible at time of publication. Subsequent legislation, new state regulations and case law may affect its accuracy. For the latest information please check the Taxation and Revenue Department's web site at [www.tax.newmexico.gov](http://www.tax.newmexico.gov).

This publication provides instructions or general information to the taxpayer. It does not constitute a regulation or ruling as defined under Section 7-1-60, *New Mexico Statutes Annotated*, 1978. Taxpayers and preparers are responsible for being aware of New Mexico tax laws and rules. Consult the Department directly if you have questions or concerns about information provided in this Bulletin.

STATE OF NEW MEXICO  
TAXATION AND REVENUE DEPARTMENT

SURETY BOND

Amount \$ \_\_\_\_\_

That we, \_\_\_\_\_  
as principal, and \_\_\_\_\_  
a corporation duly authorized and licensed under the laws of the State of New Mexico to do a general surety business in  
the State of New Mexico, as surety\*, are held and firmly bound unto the STATE OF NEW MEXICO in the sum of  
\_\_\_\_\_ Dollars, lawful money of the United States, to be paid to said State of New Mexico or its assignees, and we bind  
ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by this document.

NOW, THEREFORE, THE CONDITIONS OF THE ABOVE OBLIGATION ARE THAT: The above principal shall timely file true reports, and make timely payment of any and all taxes, together with any and all penalties and/or interest thereon, which are already due or which may become due by reason of application of Sections 7-1-1 through 17-38-93 NMSA 1978 as amended, and all regulations and rulings of the Taxation and Revenue Department of the State of New Mexico, and shall faithfully comply with the Statutes of the State of New Mexico and any amendments thereof. Failure of the principal to comply with any of these conditions shall render the surety liable for payment of any taxes, penalty and interest for which the principal is liable by reason of such failure to comply, up to the amount specified in this bond. Payment shall be made by the surety within 30 days of a final determination of the principal's liability (1) by a court from which no appeal can be or is taken, (2) by the Taxation and Revenue Department, or (3) by the failure of the principal to pursue its statutory remedies, whichever occurs latest. A surety may be released and discharged from any and all liability to the State of New Mexico after the expiration of ninety (90) days from the date upon which such surety shall have filed with the Taxation and Revenue Department a written request to be released and discharged. However, such requests shall not operate to release or discharge such surety from any liability already due or which may become due before the expiration of said ninety (90) day period. As used herein, the phrase "already due or which may become due" includes but is not limited to taxes, penalty and interest, the liability for payment of which arose during the period that this bond is in force, even though the final determination of liability by a court, or an administrative agency, or by the failure of the principal to pursue its statutory remedies or by any other reason, occurs after the period in which this bond is in force.

IN WITNESS WHEREOF, the principal has hereunto set its hand and seal and or caused its corporate name to be hereunto signed and its corporate seal attached by its duly authorized officers and the surety has likewise caused its corporate name to be hereunto signed and its corporate seal attached by its duly authorized officers this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
PRINCIPAL

SEAL

\_\_\_\_\_  
SURETY

\*Copy of Power of Attorney must accompany bond if signed by Attorney-in-Fact.

ACKNOWLEDGEMENT OF PRINCIPAL (IF A CORPORATION)

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me appeared \_\_\_\_\_ to me personally known, who being by me duly sworn, did depose and say that he is the \_\_\_\_\_ of \_\_\_\_\_ and that the seal affixed to the instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My Commission Expires: \_\_\_\_\_

Notary Public

ACKNOWLEDGEMENT OF PRINCIPAL (IF AN INDIVIDUAL OR PARTNERSHIP)

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_ to me known to be the person or persons described in and who executed the foregoing bond as principal and acknowledged that he/they executed the same as his/their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My Commission Expires: \_\_\_\_\_

Notary Public

ACKNOWLEDGEMENT OF SURETY

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_ known to me to be the Attorney-in-Fact of \_\_\_\_\_ a corporation described in and which executed the within and foregoing bond of \_\_\_\_\_ as surety thereon, and who being by me duly sworn does depose and say that this person resides in the City of \_\_\_\_\_ State of \_\_\_\_\_; that this person is the Attorney-in-Fact of said company and knows the corporate seal thereof; that the said \_\_\_\_\_ is duly and legally incorporated under the laws of the State of \_\_\_\_\_; that the seal affixed to the within bond is the corporate seal of said company and was thereby affixed by order and authority of the Board of Directors of said company; that this person signed thereto by like order and authority as Attorney-in-Fact of said company; and that the signature of said \_\_\_\_\_ subscribed to said bond is the genuine handwriting of \_\_\_\_\_ and was thereto subscribed by order and authority of said Board of Directors; and that the assets of said company, unencumbered and liable to execution, exceed its claims, debts and liabilities of every nature by more than the sum of \$ \_\_\_\_\_; that the \_\_\_\_\_ has complied with all the laws of the State of New Mexico relating to surety companies doing business in said State, and is duly licensed and legally authorized by said State to qualify as sole surety on the bond hereto annexed.

My Commission Expires: \_\_\_\_\_

Notary Public

\*Copy of Power of Attorney must accompany bond if signed by Attorney-in-Fact.