

Use of Revenue Account Codes and Their Tax Implications

Unrestricted Accounting Main, Taxation Issues

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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 in facilities open to the general public are 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
- 0512, 0514 – Sales Discounts, Allowances, Sales Returns
- 0520/1 - 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
- 0580 Vending Machine Svc Sales Gen
- 05A0 Ticket 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 Registration Fee Revenue Gen (If related to participation in athletic, recreational, or entertainment events.)
- 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.)

NM GGRT Reporting

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.

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

NONTAXABLE AND NONREPORTABLE REVENUES

- In general, Account codes that begin with 01**, 02**, 03**, 04**, 06**, 07**, 08**,09**, and 1*** are not GGRT.
- 0562 Textbook Sales – Exempt (All required textbooks and required 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. All sales to UNM departments, whether for goods and/or services, should be recorded here. These sales are exempt from NM GGRT.
- 07Z0 or 08Z0 - Other Sales and Service Revenue (Note: **Revenues 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

	0513		Promotional Discounts
	0540		Housing Dorm Rental
	05B*		Equipment and Facility Rental
	05D6		Broadcasting Revenue
	05L*		Fundraising Activities Gen, Membership, Underwriting, Advertising
	05K1		Workshop Rev
	05N0		Commissions Revenue
	05P0		Aux Scholarship Allowance

Sales of Goods

If you sell:	Within New Mexico	Within New Mexico	Outside New Mexico	Outside New Mexico
And the buyer:	provides NTTC	no NTTC	provides NTTC	no NTTC
On the Money List:	use account code 0511	use account code 0510	use account code 0511	use account code 0511
GGR Tax?	do not charge GGRT	charge GGRT	do not charge GGRT	do not charge GGRT

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.