

## Income/Franchise:

### New Mexico Ruling Addresses Sourcing Sales of TPP Delivered to Third-Party Distribution Warehouses

*Ruling No. 210-25-1*, N.M. Tax'n and Rev. Dept. (2/13/25). In a ruling involving a distribution company filing as part of a New Mexico unitary combined corporate income tax return with various affiliates that manufacture, purchase, and import certain tangible personal property (*i.e.*, the "products"), the New Mexico Taxation and Revenue Department (Department) held that, based on the provided facts, the delivery of the products by the company to third-party distributor warehouses within New Mexico are deemed to terminate in New Mexico and thus such sales are sourced to New Mexico – regardless of whether the third-party distributors subsequently move the products to locations outside New Mexico. Correspondingly, the Department held that the delivery of products by certain affiliates to third-party distributor warehouses located outside of New Mexico are deemed to terminate outside of New Mexico and thus such sales are *not* sourced to New Mexico – regardless of whether the third-party distributors subsequently move the products to locations within New Mexico. Please contact us with any questions.

**URL:** <https://klvg4oyd4j.execute-api.us-west-2.amazonaws.com/prod/PublicFiles/34821a9573ca43e7b06dfad20f5183fd/e352d3e2-0084-48dd-b660-c6d8de3b3ae7/210-25-1.pdf>

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