

Timothy M. Keller
State Auditor



Sanjay Bhakta, CPA, CGFM, CFE, CGMA
Deputy State Auditor

State of New Mexico
OFFICE OF THE STATE AUDITOR

May 31, 2017

Isaac Benton, President
Albuquerque City Council
P.O. Box 1293
Albuquerque, NM 87103

Re: Gross Receipts Tax Distributions

Dear Councilor Benton:

The Office of the State Auditor ("OSA") received your letter dated May 17, 2017 expressing concerns about the reliability and accuracy of Gross Receipts Tax ("GRT") distributions by the New Mexico Department of Taxation and Revenue ("TRD"). This information was routed to the OSA Special Investigations Division to conduct fact finding and evaluate the issues pursuant to the Audit Act.

As you are aware TRD has an obligation to account for and remit monies received in a timely manner pursuant to state law. The OSA takes very seriously any allegation that TRD may be in violation of its statutory and fiduciary responsibilities. The OSA has received similar concerns from other municipalities, including the New Mexico Municipal League, and the OSA will be expanding its testing as part of the annual audit process. Accordingly, please provide the equivalent statistics, with the underlying data, from January 1, 2014 to date which support the table produced in your letter.

Thank you for contacting the OSA and bringing these matters to our attention. If you have additional information, or have any questions, please do not hesitate to contact me directly at 505-476-3818 or at Hamish.Thomson@osa.state.nm.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Hamish Thomson".

Hamish Thomson, CPA/CFF, CFE
Special Investigations Division

cc: Executive Director William F. Fulginiti, New Mexico Municipal League