

Opinion No. 34-748

May 2, 1934

BY: E. K. NEUMANN, Attorney General

TO: Honorable Alfonso Aguilar, Superintendent of Insurance, Santa Fe, New Mexico.

{*129} This is in reply to your letter of May 2, 1934 in which you ask the following question:

"Paragraph 'J' of Section 201 of the Sales Tax Act provides for a tax of 2% of the gross receipts of the business of every person [Illegible Word] or continuing in the business of insurance of any kind.

"Can this tax be absorbed by the Agent selling such insurance, {*130} or does it have to be passed on to the assured, which will probably mean a 2% increase in the insurance rates?"

As I interpret Section 204, S. B. No. 15, passed by the special session of the 11th legislature it does not prohibit any person from absorbing the 2% tax but merely prohibits any person from offering to absorb the tax "by any character of public advertisement" or from advertising that such tax "is not considered as an element of the price of property or services."

By: QUINCY D. ADAMS,

Asst. Attorney General