



**NEW MEXICO
BUSINESS COALITION**

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RE: SB 119 Flat Corporate Income Tax – NMBC Opposes

Mr./Madame Chair and Committee Members:

New Mexico Business Coalition (NMBC) advocates for private sector opportunities to diversify our economy, create job abundance, and help businesses and individuals pursue economic prosperity. NMBC partnerships include being the state affiliate for the National Association of Manufacturers (NAM).

NMBC respectfully opposes SB 119 Flat Corporate Income Tax because it is bad policy to increase any tax rates on businesses. It doesn't matter how few corporations are domiciled in our state, better policy dictates that the state take less from them in taxes so they can re-invest in their businesses and employees. This is the policy that leads to wealth in a state.

Other states that enjoy robust economies have found that supporting businesses, lowering taxes and limiting onerous regulation produces better results. Those states have enjoyed seeing more businesses move there. This has spurred their economy and created more jobs and, thus, more revenue for the state.

On the other hand, when you see states that are punitive to business, like New Mexico, you see businesses unwilling to continue investing here. The worst-case scenario is that those businesses will leave New Mexico to operate in a pro-business state. New Mexico has every opportunity to be pro-business but continues to find ways to be punitive instead.

Our state could excel, if we chose to support business instead of attack them.

I encourage you to look at [Rich States Poor States](#) and consider what creates wealth for all residents in states that are doing well. New Mexico is not doing well and it is getting worse. In 2019, New Mexico was ranked 29th in the nation. The latest rating completed in 2023, shows New Mexico is ranked 38th. If policies like SB 119 are passed, New Mexico will continue its freefall into poverty, hurting the very people proponents of this bill say they want to help.

On behalf of hard-working New Mexicans who rely on the jobs created by our wealthier residents, please say 'NO' to SB 119 Flat Corporate Income Tax.

Thank you,

A handwritten signature in blue ink, appearing to read "Carla J. Sonntag".

Carla J. Sonntag
President and CEO