



RE: Oppose **HB 11 Paid Family and Medical Leave Act**

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. We focus on making New Mexico a better place to live and work, with abundant good-paying jobs to provide for our families.

NMBC strongly opposes HB 11, the Paid Family and Medical Leave Act. While we understand Representative Chandler's desire to help some employees with extended paid time off, we have heard from hundreds of employees who do not want additional taxes taken from their paychecks. During this time of high inflation, employees struggle to feed their families and pay rent. In addition, a large percentage of New Mexico employees are unlikely to ever use the fund and are, therefore, unwilling to be taxed for the benefit of others.

The percentage of new taxes the PFMLA would create on businesses is slightly lower than for employees, but it is a tax on every dollar paid to every employee. For medium to large companies, it will add up quickly to a cost they cannot afford. And for most small companies, this new tax is unmanageable from the start.

While the employer is not paying the employee out on paid leave, they will have to pay for replacement labor during the absence. So, the employer is being taxed and receiving no benefit. Unfortunately, this means fewer jobs as businesses try to survive another tax burden.

While the FIR was not posted this session last year, it clearly showed that this proposal is not financially viable, and the program will be insolvent in a matter of years. This would mean the state would increase the tax on payors, making the program that much more detrimental to employees and their employers.

For the reasons stated, among others, NMBC opposes HB 11, the Paid Family Medical Leave Act, and we urge you to say 'NO' to this additional burden on employers and their employees.

Thank you for considering my comments,

Carla J. Sonntag
President and CEO