



P.O. Box 95735  
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RE: Support **HB 293 Eliminate Social Security Tax**

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 supports HB 293, which would fully eliminate New Mexico tax on Social Security benefits. The current taxation of Social Security for many New Mexicans who don't qualify at all or don't fully qualify for an exemption is punitive, as recipients have already been taxed to receive Social Security payments. Social Security is not a government handout, but a fund established for taxpayers and paid for by them.

If the state taxes this income source, it will deter retirees from staying in or relocating to our state. This bill could be a significant win for our state as we seek to grow and diversify our economy.

Other states with robust economies have found that supporting good tax policies and eliminating unnecessary and punitive taxes increases state revenues. Retirees buy homes and vehicles and maintain their households, which contributes to the tax base of our economy. Those states that have eliminated Social Security taxes have enjoyed seeing more businesses and individuals move there, spurring the economy and creating more jobs. All of this serves to grow their economies.

As an outside source of the effect of sound tax policy, [Rich States Poor States](#) illustrates what creates wealth for all residents in a state. New Mexico's policies are causing lower rankings. In 2019, New Mexico was ranked 29th in the nation, but by 2024, it had fallen to 38th. If HB 293 is passed, New Mexico will have the opportunity to retain and attract retirees.

For these reasons, we urge you to vote **"YES"** on HB 293 Eliminate Social Security Tax.

Thank you for considering my comments,

A handwritten signature in blue ink, appearing to read "Carla J. Sonntag", with a long, sweeping underline.

**Carla J. Sonntag**  
President and CEO