



**NEW MEXICO
BUSINESS COALITION**

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RE: Oppose SB 56 New Personal Income Tax Brackets

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. Our focus is to make New Mexico a better place to do business so that New Mexicans have jobs and can provide for their families.

NMBC respectfully opposes this bill to increase taxes. This is absolutely the worst time to increase taxes of any kind in light of the continued Covid lockdown. New Mexico should be encouraging high paying jobs and those people who work in them, rather than being a detractor by telling the world our government is greedy and wants to take more of their earnings than many other states.

Under a progressive income tax structure such as that proposed by SB 56, higher income individuals pay a higher share of their income in taxes. This violates the principle of equity in the strictest sense.

A more progressive tax structure will discourage people from entering higher-paying jobs, reducing the number of people available for those jobs, and consequently further raising the salaries offered in these jobs. The tax then paid on these higher salaries will overstate the tax burden on these individuals. Another way the burden gets shifted is when people must pay a higher price for the goods or services produced by these higher salaried individuals.

We urge you to say 'NO' on SB 56 New Personal Income Tax Brackets.

Thank you,

A handwritten signature in blue ink that reads "Carla J. Sonntag".

Carla J. Sonntag
President