



**NEW MEXICO
BUSINESS COALITION**

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RE: Oppose HB 291 Tax Changes

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 opposes HB 291 Tax Changes because it is a significant multi-level tax increase that will create disincentives for investments in rental housing, which is in demand in our state. It is a mistake to penalize someone making over \$100,000 per year because most small business owners in New Mexico have their business revenue taxed at their personal income rates. That means that many of the people who will be impacted by this personal income tax rate increase are small business owners. These are the people who are the back bone of our economy not only providing for their family's needs but who are also investing their personal income to increase job opportunities for others.

According to the [United Van Lines Study](#) on why people are leaving New Mexico, they found that 57% were people with incomes over \$100,000. That means you're not going to gain as much revenue as you may think from increasing taxes for two reasons: 1) There are a decreasing number of people in higher income levels; and 2) This increase will cause more high wage earners to leave the state.

HB 291 would be a significant deterrent to business expansion and diversification at a time when we most need that to occur. This is a critical time in our state when we need to be working together to rebuild and overcome the devastation caused by an extended lockdown of our economy. It doesn't help for the legislature to continually look for ways to take more from those who risk everything to create jobs and contribute to the economy.

We urge you to say 'NO' on HB 291 and against any legislation that further hinders our businesses and stifles growth in New Mexico.

Thank you,

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

Carla J. Sonntag
President