



**NEW MEXICO  
BUSINESS COALITION**

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**RE: SB 119 Income Tax Bracket Changes – NMBC Opposes**

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 live and work, where we have an abundance of good-paying jobs to provide for our families.

NMBC respectfully opposes SB 119 Income Tax Bracket Changes. While the bill sponsor(s) are attempting to help certain New Mexicans by taking more from the wealthy, this type of policy will have the opposite effect. Most wealthy New Mexicans are not going to stay in a state with high taxes when they can operate in states with no or lesser income tax rates. When they leave, the state will fall short of necessary revenue.

For tax purposes, New Mexico businesses are primarily pass-through entities, meaning the business owner will pay taxes at their personal income rate. The best policy we can create is policy that will attract business and encourage job creation.

Furthermore, if you consider what is going on in other states, you will see those that are doing the best have lowered or done away with income taxes altogether. In fact, our neighbor to the north, the Democratically controlled state of Colorado, has a booming economy, and their governor has stated that he would like to do away with income taxes. Why? Because he will be luring the wealthy away from states like New Mexico; the very people who create the wealth for others. With these changes between the two states, Colorado's economy would continue to grow and prosper while New Mexico would continue to shrink further into poverty.

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 29<sup>th</sup> in the nation. The latest rating completed in 2022, shows New Mexico is ranked 38<sup>th</sup>. 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 Income Tax Bracket Changes.

Thank you,

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

Carla J. Sonntag  
President and CEO