



**NEW MEXICO  
BUSINESS COALITION**

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**RE: HB 252 Adjust Income Tax Brackets – NMBC Supports with reservations**

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 supports HB 252 Adjust Income Tax Brackets while respectfully noting our reservations. Our primary support is for any consideration of lower taxes on the wealth and job creators in our state, notably our business owners and health care providers.

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 the policy that will attract business and encourage job creation and that means eliminating income taxes.

In other states, you will see those with robust economies have lowered or done away with income taxes altogether. Our neighbor to the north, the Democratically controlled state of Colorado, has a booming economy, and its governor has stated that he would like to do away with income taxes. Why? Because he will be luring the wealthy away from states with income taxes like New Mexico.

Further, while New Mexico maintains an income tax structure, it should do away with the marriage penalty. There is no reason to penalize people who are married by requiring them to pay more in income taxes.

While the state is flush with cash, the legislature should use the opportunity to rewrite the tax code and get rid of Gross Receipts Taxes (GRT) and personal income tax. This is a bold, and to some, scary thought. You can readily see the benefit of a robust economy for states that have neither of these taxes.

On behalf of hard-working New Mexicans who rely on the jobs created by our wealthier residents, please say 'YES' to HB 252 Adjust Income Tax Brackets.

Thank you,

A handwritten signature in blue ink, appearing to read 'Carla J. Sonntag'.

Carla J. Sonntag  
President and CEO