



**NEW MEXICO  
BUSINESS COALITION**

PO Box 95735  
Albuquerque, NM 87199  
(505) 836-4223 FAX (505) 836-4522  
[www.nmbizcoalition.org](http://www.nmbizcoalition.org)

**RE: HB 280 Flat Income Tax Rate – NMBC Supports**

Mr./Madame Chair and Committee Members:

New Mexico Business Coalition (NMBC) advocates for private sector opportunities to diversify our economy, create job abundance, and help businesses and individuals pursue economic prosperity. NMBC partnerships include being the state affiliate for the National Association of Manufacturers (NAM).

NMBC supports HB 280 Flat Income Tax Rate because it is a good first step in correcting New Mexico's tax system. Other states that have robust economies have low or no income taxes. In addition, because most businesses in the state pay their business taxes as a pass-through to their personal income, we should readily see businesses grow and reinvest in New Mexico.

Less is more when it comes to taxes. We have seen repeatedly that if income taxes are lowered, people are more likely to move to that state. 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 among all states ranked in Rich States Poor States. The latest rating completed in 2023, shows New Mexico is ranked 38<sup>th</sup>. If HB 280 Flat Income Tax Rate becomes law, we can start to reverse this downward trend and get New Mexico on a better path.

This is the absolute best time to make this type of correction to our tax code. It will cause a temporary loss to the general fund and doing at a time with such an excessive surplus will not cause a problem for the state. This will allow the state to see the benefit of this change as businesses grow and people move here.

For the reasons stated, NMBC supports HB 280 Flat Income Tax Rate and urges you to say 'YES' to its passage.

Thank you for your consideration of my comments,

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

Carla J. Sonntag  
President and CEO